

## Kremlin fears public unrest on price rises

### Tough Gorbachov insists reforms must go through

From Christopher Walker, Moscow

Mr Mikhail Gorbachov has admitted for the first time that the Politburo is facing widespread public discontent over its decision to overhaul the pricing system by the start of the next Five Year Plan in 1991.

The admission was contained in the full text of a keynote speech in Murmansk by the Soviet leader which was published in yesterday's Soviet papers.

Public concern at a feared slump in living standards has already been detected by Western embassies here. Under the present antiquated pricing structure, rents are still those charged in 1928, communal services are sold at prices set in 1946 and bread, sugar, eggs and many other

staples have not changed in price since 1954.

"It is impossible to solve the task of switching to new methods of management without getting to the bottom of things in the question of prices," Mr Gorbachov said in the speech, delivered on Wednesday night. "The discussion of prices... has given rise to certain apprehensions among working people."

In the bluntest terms used since taking office in March, 1985, Mr Gorbachov went on to warn that there would be no retreat in the plan to revise

Ridiculing the present subsidy system, Mr Gorbachov said that it led to a lack of proper respect among the Soviet people for food which was artificially cheap. "One can see children using a loaf of bread as a ball in football. A tremendous amount of food stuffs go to waste," he told the audience. He said a pair of boots cost the same as 62 kilograms of meat.

Bread of equal calorific value he explained, was over five times more expensive in America, four times more expensive in France, over three times dearer in Britain and even one and a half times more in Hungary, a Communist ally which has gone further than Moscow in its economic experiments.

Turning to the controversial anti-alcohol campaign which has led to long and discontented queues outside the greatly restricted number of Soviet vodka shops, Mr Gorbachov was in a fighting mood. "We cannot depart from anything that we started. We started a war on drunkenness we cannot retreat, although many are displeased," he declared. "But the biggest mass of the people stands for sobriety."

Often Mr Gorbachov adopted a school-masterly tone. He pledged that the party would take action to deal with what he described scathingly as the Soviet Union's "bloated administrative apparatus" but he tried to allay fears that this would lead to unemployment.

His anger with existing conditions showed in the speech, for example when he was referring to the shoddy goods for which Soviet industry is notorious.

Gorbachov text ..... 6  
Leading article ..... 11

prices, or to implement his other two most unpopular reforms, the clampdown on sales of vodka and the plans to slash tens of thousands of bureaucratic jobs.

Western observers describe the 110-minute speech as the most forceful the Soviet leader has yet delivered on the dire problems still facing the economy, in which energy and material resources cost 50 to 100 per cent more than in developed countries. "He made it crystal clear that he is prepared to risk public unrest in order to get his way," one senior diplomat explained.

After reading the speech, many Soviet citizens again expressed worry about prospects for their standard of living as a result of the Karmazin's determination to cut annual subsidies now amounting to \$10 billion. "I read the speech just to see what would happen about our prices," one young Moscow housewife said.

## Britain sends final warning to Rabuka

By Andrew McEwen, Diplomatic Correspondent

Britain is to deliver a final warning to the coup leader, Lieutenant-Colonel Sitiveni Rabuka, in an effort to avert bloodshed in Fiji.

The High Commissioner, Mr Roger Bartrop, plans to see him for the first time since the second coup. His brief is "to bring home directly to Colonel Rabuka the disastrous consequences for Fiji of the course on which he appears to be set".

The Foreign Office is determined that Colonel Rabuka should understand that his position is not as strong as he appears to think.

The aim is to put him in a receptive frame of mind before Monday, when he is due to meet the Governor-General, Ratu Sir Penaia Ganilau, together with the deposed Prime Minister, Dr Timoci Bavadra, and other political leaders.

The meeting is seen as the last hope for a negotiated solution.

But the chances of success are not strong, and already contingency plans have been made. Informed sources believe that if the meeting fails Ratu Ganilau's next move will be to dismiss Colonel Rabuka as head of the Royal Fijian Military Forces.

● JERUSALEM: The 620 Fijian troops serving with the UN Interim Force in Lebanon (Unifil) and the 500 with the Multinational Force and Observers (MFO) in Sinai, were apparently tipped-off by Colonel Rabuka that he was about to mount his second coup (see Murray writes).

All of the men are Melanesians and believed to be loyal to the Colonel, who was a popular commander of the battalion in Lebanon six years ago. Rabuka defied, page 8

## Sentence delayed in BA share case

An unemployed man who admitted in the Central Criminal Court yesterday that he made bogus applications for British Airways shares will be sentenced next week, after the Lord Chief Justice lays down guidelines on penalties for multiple share applications.

The man stood to gain £100,000 from 35 false applications.

Meanwhile, deals in the shares of a computer products supplier were frozen by the

Stock Exchange yesterday after a bogus message sent the share price up sharply. The exchange is reviewing security procedures for public announcements after the incident involving Quest Group, a Southampton company.

His shares rose 14p to 191p on a false report, believed to have been delivered by text, that it had won a £40 million Russian contract. Quest's stockbroker alerted the exchange, and dealing was sus-

## Societies in move to compete with banks

By Peter Gardland  
Family Money Editor

Britain's leading building societies could be competing directly with the high street banks by next summer if a review by the Treasury and Building Societies Commission, which regulates societies' activities, could result in societies offering their own unit trusts and acting as underwriters of life insurance as well as car insurance and household cover.

The review was set up after societies tried undertaking financial activities but found they fell outside their legal powers. Building societies' powers were widened significantly by the Building Societies Act 1986. They can now give insurance advice, set up estate agencies and offer money transmission services.

But building society chiefs have complained that they are still not being allowed to compete with other financial institutions on the much-vaunted "level playing field" principle. Mr John Spalding, chief executive of the Halifax, describes the 1986 Act as a "halfway house".

The Building Societies Commission says the new review cannot be hurried but it will aim to reach policy decisions by Christmas, with a view to laying an order before Parliament by Easter. The commission has even offered to advance this timetable to enable societies to adopt the new powers by next spring, provided it "does not result in a superficial and defective review".

The Building Societies Association has welcomed the review. Continued on page 24, col 7

## Kinnock set to tear up party's taxation policy

By Philip Webster, Chief Political Correspondent

Mr Neil Kinnock yesterday prepared to tear up his party's unpopular taxation policy, and confirmed his dramatic shift away from unilateralism.

The Shadow Cabinet, at a special two-day session next week, is ready to scrap the tax policy which cost Labour dearly at the election after it emerged that people earning £15,000 or more would be hit.

Mr Kinnock hailed Labour's sombre post-election conference, which ended yesterday, as a turning point for the party and said: "We start with a relatively blank sheet". His words meant that the party's two greatest electoral liabilities, defence and taxation, face the shredder.

The ease with which the party leadership had prepared the way for a change in defence policy under the nose of a conference voting in the opposite direction astonished delegates.

Mr Kinnock confirmed and hardened the prospect of Labour entering the next election with a unilateralist rather than a multilateralist policy. The election commitment unconditionally to scrap Trident has gone.

The Labour leader said in a BBC radio interview that against the background of likely strategic arms reduction talks between the superpowers

it would not only be "necessary but completely natural to have Trident as part of that".

One of the ways Labour would approach its policy review, he said, was to "look at the strong possibilities and see how best the Trident system - the Polaris system, come to that - can be used for the purpose of achieving wider non-nuclear defence, not only in this country but between the superpowers."

Asked if this was clearly a multilateralist approach, Mr

Conference reports ..... 4  
Cenar Cruise O'Brien ..... 10  
Robert Kilroy-Silk ..... 24  
Sketch ..... 24

Kinnock replied: "Yes, I don't think anyone should get hung up about the words."

"I would be delighted and I think everybody over the last 25 to 30 years would be delighted to be part of a multilateral move if there was any prospect of that being the case. And it is now much more than a prospect, it's now under way."

Speaking of the changes since Labour established its non-nuclear policy, he said America and Russia would soon conclude an agreement on intermediate nuclear arms and America was talking

about inaugurating a process of strategic arms reduction.

The Shadow Cabinet will meet at the Sogat union's staff college at Rottingdean, Sussex, next Tuesday and Wednesday to discuss parliamentary tactics and have its first debate about the policy reviews agreed by the conference.

Shadow ministers will receive a paper from Mr John Smith, the shadow chancellor, on his preliminary plans for restructuring the taxation system.

Mr Kinnock said yesterday: "The purpose of taxation policy is to secure sufficient resources for our objectives and to levy it fairly so that no outrageous burden falls on backs that cannot take it."

"We have to be efficient in revenue-raising and fair in its effect on individuals. We start with a relatively blank sheet and we will have a policy that will secure both revenue and redistribution objectives."

Mr Kinnock said that Labour had "stopped the clock" and paused for thought in the wake of the election defeat. "It was just the sort of conference we needed. We should pause and look through everything and set up procedures to examine every area of policy. It is a significant change for the party."

## Irish court refuses to extradite official

By John Cooney

The Irish Government has been embarrassed by the refusal yesterday of the Dublin District Court to extradite Mr Kevin McDonald, the Irish embassy official, to England.

Mr McDonald, aged 37, would have faced charges in England in connection with a "passports for sale" case.

The president of the court, Justice Mackinnon, ruled that the Mr McDonald, with an address at Chiswick Village, west London, was entitled to diplomatic immunity and exemption from prosecution in English courts.

He said he had no evidence that the Irish state wished to waive that right.

Reccriminations are now likely to centre on the failure of the Irish state solicitor to provide evidence of his government's stance.

In the Irish parliament last May, Mr Brian Lenihan, the Deputy Prime Minister and Minister for Foreign Affairs, announced that the Irish government had waived the diplomatic immunity of Mr McDonald.

The judgement will intensify strains in the relationship Continued on page 24, col 1

While the rest of Labour's delegates gave an end-of-conference rendering of Auld Lang Syne yesterday, women members demanded greater equality



## NEXT WEEK

### WOMEN talking

Starting on Monday, Charlotte Rampling, Lady Falkender, Margherita Laski and Koo Stark are among the dozens of remarkable women who talk in *The Times* about love, sex, men, work, motherhood and every aspect of being a woman. By Friday, everyone will be talking about them.

## Portfolio Gold £20,000 to be won

● There is £20,000 to be won today in the Times Portfolio Gold competitions. The daily prize has risen to £12,000 because there have been no winners on the two previous days and there is the weekly prize of £3,000. ● Portfolio lists, pages 29 and 42

## IN PART 2 £777m offer

The TSB Group yesterday made an agreed £777 million takeover bid for Hill Samuel, one of the country's leading independent merchant banks, ending a long spell of uncertainty over its future. The new group will be worth £3 billion. Page 25

## New rules

Proposed new rules for unit trust companies have had a lukewarm welcome from the industry itself. Family Money, pages 30-42

## Border raid

Rangers signed the Tottenham captain, Richard Gough, for £1.5 million and Celtic bought Frank McAvennie from West Ham United for £800,000. Page 48

## INDEX

Home News	2-5
Overseas	6-8
Business	25-42
Arts	44-48
Births, marriages, deaths	13
Bridge	21
Chess	21
Court	12
Crosswords	21-24
Diary	10
Entertainments	13-14
Features	15-22
Information	44
Law Report	11
Leading articles	11
Letters	11
Obituary	12
Religion	12
Sale room	12
Science	13
Services	23
TV & Radio	23
Weather	24

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## Merger moves to form mega-union

By Roland Radd

Britain's third largest trade union, the GMB, is holding secret talks with two unions to create a new "mega-union" of 1,500,000 members which would radically alter the structure of the trade union movement.

The general municipal and boiler-makers union has already agreed in principle to merge with the white-collar Association of Professional, Executive, Clerical and Computer Staff (Apex). Negotiations between them are at an advanced stage and an announcement is expected shortly.

A steering committee is presently hammering out a single set of rules for the merged unions.

Meanwhile, Mr David Warburton, GMB's principal national officer, has begun preliminary talks with the health service union, the Confederation of Health Ser-

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# Hospital negligence caused gross brain damage, court told

By Ian Smith

A building labourer with a young family became as helpless as a small child after an incorrect diagnosis and negligent hospital treatment resulted in irreparable brain damage, the High Court in Leeds was told yesterday.

Doctors first mistook pneumonia for pleurisy, then nursing staff failed to clear a blocked breathing tube which had been keeping Mr Keith Blackburn alive, it was alleged. His heart stopped twice, intensive care staff had to administer emergency respiratory treatment and for 15 minutes, insufficient blood reached his brain.

The first inking nursing staff had of the breathing problems suffered by Mr Blackburn was when he started sweating profusely and turned blue, Mr Daniel Brennan, QC, counsel for the plaintiff, said.

When Mr Blackburn, now aged 45, was eventually discharged from Newcastle General Hospital two days before Christmas, 1976, he was grossly disabled in thought, speech, movement and personality, Mr Brennan said.

Today Mr Blackburn lives with his parents in a specially adapted council bungalow in Sheffield. Only because of the selfless efforts of his parents, both in their sixties, Mr Brennan said, was Mr Blackburn able to remember simple arithmetic tables and nursery rhymes.

Mr Blackburn's parents, on his behalf, are trying to prove

liability for his condition against Newcastle Area Health Authority. The High Court action is expected to last six days, and if successful, the family will claim damages at a subsequent High Court hearing in Sheffield.

A written damage claim has already been received by the health authority's legal representatives. It is believed to exceed £500,000.

The case, Mr Brennan said, was beset by tragedy. Just months after moving her invalid husband and four children from Newcastle to Sheffield, Mrs Patricia Blackburn, aged 35, contracted cancer and died on June 17, 1978.

Her daughter and three sons were taken into foster care and then reunited with their father and grandparents when the retired couple also moved to Sheffield and took out a mortgage on a large home.

The catalogue of disasters began, Mr Brennan said, on September 28, 1976, when Mr Blackburn walked into the accident and emergency unit of Newcastle General Hospital complaining of chest pains.

He was prescribed a pain-killing drug and told to go home. As he left the hospital, he collapsed and was taken back into the casualty department. There another doctor diagnosed pleurisy and prescribed antibiotics and a diastalgic.

Mr Blackburn returned home, but next day his con-

dition worsened and his general practitioner was summoned. He apparently prescribed morphine.

Later that day, a locum doctor was called and he prescribed suppositories and cough medicine. However, Mr Blackburn's condition worsened and at 5.30 next morning, his family called an ambulance.

En route to the hospital, the ambulance was in collision with a unit car being pushed across the A6 by an off-duty policeman. The plaintiff was thrown off his stretcher on to the floor.

After reaching Newcastle General Hospital, he was again taken into the casualty unit. At 10.30am, he was transferred to the intensive care unit and put on a ventilator.

Two days later, Mr Blackburn underwent a tracheostomy. Four days later, he suffered a cardiac arrest and the tracheostomy tube, positioned one inch down his throat, was found to be blocked and was removed and replaced with a new tube.

Brain damage had been caused, Mr Brennan said, and for the next 20 days the patient was unconscious. During that time he suffered a second cardiac arrest, and needed respiratory treatment.

On October 28, he was moved into a general ward of the hospital and finally discharged on December 23. So gross were his disabilities that his family found he had the mental capacity of a child.

After his wife's death, Mr Blackburn spent five years in Sheffield psychiatric hospitals before his parents obtained a council bungalow adapted for handicapped tenants.

"It is like looking after a baby", Mr Blackburn's father, Jim, a former security worker, said yesterday. "We have to do everything for him, from cutting up his food and feeding him with a spoon to escorting him to the lavatory."

"It is desperately arduous work but we love him desperately, so we have no reason to complain."

When Mr Blackburn's daughter, Dawn, was married in July 1983, he was specially coached to give her in marriage.

The case continues.

## Hats off to the British way of life

The Rev Ian Gregory had a civil day out in London yesterday. He was greeted politely, escorted from hand to hand and generally fêted by all he met (Robin Young writes).

Mr Gregory (above), a Congregational minister from Newcastle-under-Lyme, Staffordshire, is the founder of

the Polite Society, a voluntary association "of persons committed to maintaining good manners and courtesy as the basis of everyday business in British society".

In that capacity he declared yesterday a Day of National Courtesy. He chose a Friday, he explained, because Fridays

were statistically notable for bad temper.

But when he arrived in the capital, he did not find himself surrounded by riotous rudery. The most abrasive behaviour he encountered was when a radio reporter asked if he were not wasting his time. (Photograph: Philip Dunn).

## Doctors seek new guidelines on surrogacy

By Thomson Prentice, Science Correspondent

Specialists in artificial insemination are calling for new laws and ethical guidelines on surrogacy after the delivery of triplets to a grandmother in South Africa.

The case, in which a woman gave birth to babies developed from the eggs of her own daughter, is unlikely to be repeated in Britain, experts believe.

Yesterday Mr Patrick Steptoe, who pioneered *in-vitro* fertilization techniques that led to the birth of the world's first test tube baby in 1978, said his clinic was not planning a "host womb" operation similar to the South African one.

He and other specialists acknowledge that under certain circumstances they would be prepared to consider surrogacy arrangements. He said: "We are approached, but that does not mean we will do it."

Mr Steptoe, medical director of the Bourn Hall private clinic in Cambridgeshire, added: "We need to know what the law thinks. It would be fairly easy to argue in

favour of it if it was to be done on compassionate grounds within the same family.

"It is a question of whether the medical reason for doing it is strong enough to overcome the legal problems. We have to go into great detail with the people who want a surrogate baby as to whether it is medically justified."

He said any decision on whether to carry out a surrogate procedure would have to be approved by the clinic's ethical committee.

Professor Robert Winston, head of the infertility unit at Hammersmith Hospital, west London, and Professor Ian Craft, of the private Hammersmith Hospital, St John's Wood, north-west London, have urged the Government to introduce laws to determine which procedures can be carried out.

Commercial surrogate arrangements, in which one woman is paid to bear the child of another, are banned in Britain and legislation to make all forms of surrogacy illegal is being considered by the Government.

## Drug addicts use 'jelly babies' to avoid Aids

Drug addicts are injecting themselves with tranquilizers they call "jelly babies" instead of heroin to try to avoid the risk of Aids, doctors report in *The Lancet* today (Our Science Correspondent writes).

However, the belief that this will protect abusers from the human immunodeficiency virus (HIV) is a myth, specialists from a Glasgow hospital say.

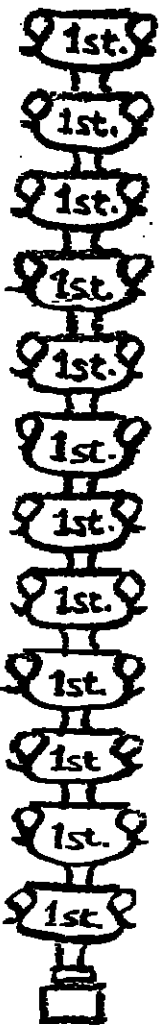
The drug temazepam, the most widely prescribed hypnotic in Britain, has shown a "spectacular rise in popularity" in Glasgow.

The capsules, known as "jelly beans" or "yellow eggs", have risen in price on the black market from 20 pence each a year ago to £2.50, the doctors at the Southern General Hospital's psychiatry department say.

The doctors say that drug takers report a "most satisfactory and controllable effect" from three capsules, costing a total of about £7.00, considerably less than the street price of heroin.

But some abusers have reported severe withdrawal symptoms.

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## Scientists say give research tax boost

By Pearce Wright, Science Editor

A call for tax allowances and other incentives to stimulate more joint industry-university research came yesterday from a meeting of 16 learned societies, representing most of Britain's university scientists.

Such incentives and other inducements are already adopted by all other European countries, the United States and Japan, the scientists say.

The scientists are united in their opposition to the scheme to reorganize the university system contained in a report called *A Strategy for Science*, submitted to the Department of Education and Science by Sir David Phillips, chairman of the board which advises the department on spending on research.

Under his plan only 15 of Britain's 60 universities would remain as main research centres. About half would become solely teaching organizations and they would have to abandon research.

However, the scientists are united in objecting to separation of the universities into an elite group of 15 called "Type R" for high level research, a handful called "Type X" that would do limited amounts of research and "Type T" that are solely for teaching.

Representatives of the medical, pharmaceutical and engineering professions made clear yesterday that non-research institutions would not be recognised as satisfactory places for graduates to obtain their qualifications.

Professor Max Perutz, the Nobel prize winner and one of the founders of the Laboratory of Molecular Biology at Cambridge, said yesterday the planned restructuring of the universities threatened to

undermine the greatest strength of British science, its originality.

He listed some of the most original recent ideas which have sprung from small universities, which would probably be relegated to non-research status under the current proposals.

Those discoveries included liquid crystals from Hull; hyper-variable human DNA (genetic fingerprinting) from Leicester; vibrational spectroscopy of surfaces (a revolutionary method of analysing materials) from East Anglia and solid state catalysts, of vital importance for advancing technology in the chemical industry, from Aberystwyth.

Professor Perutz said the concentration of university resources caused by financial stringency had been going on for a long time. It could be continued without depriving entire universities of the right to do substantial independent research.

He said: "The authors of the report *A Strategy for the Science Base* seem to believe that most good work is now done by large teams. That is true of only some subjects. Monoclonal antibodies were invented by two people.

He also cited Professor William Barrett's work at the University of Glasgow on a very promising vaccine against AIDS. Professor Perutz said: "Starting from small beginnings it was done by a team of eight people in a department with about 30 graduates, not in a huge research centre. Yet the entire veterinary school at Glasgow is now under threat of closure."

## Charges of rape dropped

By David Sapped

Charges of rape against two men were dropped yesterday to spare their alleged victims, both schoolgirls, from having to give evidence in court.

The prosecutions were abandoned just hours before Mr Douglas Hurd, the Home Secretary, outlined his proposals for protecting children from just such an ordeal.

In a case at the Central Criminal Court, three charges of rape against the stepfather of a 12-year-old schoolgirl were dropped.

"Even if this child could brace herself to come to court to give evidence, the traumatic effects would be such as to leave her emotionally scarred for the rest of her life", Mr David Waters said as he announced the decision not to proceed.

However, the 28-year-old stepfather from Pease, south London, was jailed for 10 years when he admitted sample offences of unlawful sexual intercourse and indecently assaulting the girl over a three-year period. The offences only came to light when she confided to a teacher.

At Lincoln Crown Court, a rape charge against a 65-year-old dance tutor, who pleaded guilty to indecently assaulting girls of 11 and 12, was dropped when the parents refused to allow their daughter, aged 13, to give evidence in court. Sentencing was adjourned pending the preparation of psychiatric reports.

The Government has already included provisions in the Criminal Justice Bill which will enable children to give sworn evidence to a court via a video link.

## Swedes take Lyons' share

By Lynda Mordlin

A Swedish company has taken one of Britain's biggest catering contracts from J Lyons Catering, the British firm whose corner houses once ruled the tea-drinking world.

SAS Service Partner, part of the SAS airline and hotel group, will feed visitors to the Barbican Centre, the City of London arts complex, from January. Lyons had held the contract since the centre opened in 1982.

The announcement that the Swedish company had beaten five other tenders, including

Lyons, came yesterday from the Corporation of London's Court of Common Council. SAS, which also caters at Heathrow's terminal one, will pay 14.1 per cent of turnover in return for the concession.

A Barbican spokesman said last night: "Lyons did not present the best commercial terms. If they had come up with as good a picture as SAS, there would be no reason for them not retaining the contract."

The contract covers four restaurants, 14 bars, two exhibition halls and a large

banqueting operation. Turnover in 1988 is expected to be more than £4.5 million.

Proposed changes include a bakery counter serving fresh Danish pastries in the Waterside Cafe. "I would not advance that we are going to have wall-to-wall smorgasbord, but I would perhaps expect some slightly novel ideas", the spokesman said.

Mr Derek Johnson, managing director of J Lyons Catering, said last night: "It is always disappointing to lose a contract. However, we are realists."



# Leaders reject black section backing

By Richard Ford and Robert Morgan

Black activists in the Labour Party failed again yesterday to get leadership backing for the formation of black sections after one of the rowdiest debates of the conference.

Despite impassioned pleas by all speakers, the black votes of the unions overwhelmingly threw out motions demanding the creation of separate sections exclusively for black people.

When Mr Cyril Ambler replied to the debate on behalf of the National Executive Committee, he was subjected to a constant barrage of booing, catcalls and slow handclapping. This was described by the conference chairman, Mr Syd Tierney, as a disgraceful demonstration.

Mr Ambler said: "We seek integration, not separation and segregation". He added that black people "must play their role within the party and the constitution and not on their own terms".

Mr Kuumba Balogun, moving the first motion, bitterly attacked the NEC over its decision not to allow Ms Sharon Atkin to stand at Nottingham East in the general election and to impose its own candidate after she had accused the party of being racist. He said: "Her only crime was to speak the truth."



Mr Balogun: Hectic meeting

Sharon Atkin would have won, but the imposed poodle lost.

He went on: "You think we are the niggers in the woodpile of this conference because we are forced to come here and support the formation of black sections. But looking around here we are more like a needle in a haystack."

Mr Balogun, who has served a jail sentence for a petrol bomb attack on a police station and is campaigning for reinstatement as £10,000-a-year head of a government jobs scheme in St Paul's, Bristol, accused the party leadership of using the election of four black MPs "as a fig leaf to hide the true nature of this party".

He said: "We don't want an explosion within the Labour Party because you are determined to stand in our way. We have said we will do it on our terms. We are not asking for permission to organize. We are demanding constitutional recognition."

He accused the party of ignoring immigration and race issues and racist state attacks and the criminalization of young black people.

All the black speakers from the floor pointed out that where black sections existed the party had done better in the election. But there was a danger that the traditional black voters' support for Labour would turn away from the party.

Ms Linda Bellos, Labour leader of Lambeth Council, accused the party of being hypocritical for speaking passionately on South Africa and then ignoring the rights and existence of black people living in this country. As the chairman brought the debate to a close there were shouts for



Unsmiling reactions to the black section debate from (left to right) Mr Paul Boateng, Mr Bernie Grant, Mr Keith Vaz and Ms Dianne Abbott. (Photograph: Chris Harris)

him to call one of the four black MPs who were sitting together near the front of the hall.

Afterwards Ms Dianne Abbott, MP for Hackney North and Stoke Newington, who had repeatedly tried to catch Mr Tierney's eye, said: "I thought it was wrong that no black MP was called. I am quite certain that the reason we have four black MPs in Parliament is because of the campaign the black sections have raised."

"Far from black sections being irresponsible and a fringe issue, the need for black sections and for black people to be involved in the party is more relevant and pressing than ever." She added that they would have to organize within the trade union movement if they were to get their way and warned that they would continue to raise the issue at conference "until we win".

The two motions to establish black sections were rejected by majorities of 4,301,000 and 5,637,000.

## Women defeated over short lists

By John Winder

Demands of women delegates that they should have the right in every constituency to at least one place in the short list of people being considered for parliamentary candidacy led to further demonstrations at the conference yesterday, but finally they had to admit defeat.

For the second day running, a group of more than thirty women crowded round the rostrum to disrupt proceedings, to demand a hearing for an emergency motion calling for an immediate constitutional change to enable women to be included in all short lists.

At present if a constituency has no Labour MP, any short list will have to include at least one woman. The difficulty arises because, if there is already a Labour MP, he or she can be made a short list of one.

Hornsey and Wood Green constituency attempted to change that situation with an emergency motion complaining that the 1986 decision to include women in short lists did not cover the present Labour constituencies.

This must have been seen by the leadership as a backdrop reopening of the attempt to ensure a full representation procedure for all Labour MPs between general elections.

Technically the emergency motion failed because it was applied to the party constitution

as it existed last week before conference.

Their leader, Ms Josie Irwin, Hornsey and Wood Green, blamed the conference arrangements committee for misleading them about the appropriate occasion on which the emergency motion should have been raised. She said that there had been "either a cock-up or a conspiracy" and she learned heavily to the latter.

At the opening of the day's session, Ms Irwin asked for five minutes to be allotted so that the emergency motion could be moved and voted on.

That was put to the vote and declared lost by Mr Sydney Tierney, the chairman. A few minutes later, women delegates massed round the rostrum as they had on Thursday, now protesting that the reference back had in fact been carried.

Mr Tierney was involved in sharp exchanges with the women. Then Mr Peter Wilson, conference arrangements committee, made his way through the crowd of women to the rostrum and suggested that they send representatives to the standing orders committee to discuss the matter. The women appeared to accept that, but instead of returning to their own seats spent the rest of conference in seats reserved for MPs.

When she emerged from that meeting Ms Irwin said: "We have been caught on the hop."

## THE LAW

### End of patronage and elitism urged

Rather than reviewing policy, conference should be taking policies to stop the erosion of civil liberties by calling on the next Labour government to repeal restrictive provisions in the Public Order Act and demand reform of the Official Secrets Act, Mr Dennis Skinner said, replying for the National Executive Committee in a debate on legal reform.

He was speaking in support of a motion, unanimously agreed, calling for public order legislation that struck a balance between freedom of expression and freedom from disorder. It also called for opposition to increasing militarisation of the police and positive legislation guaranteeing the rights of peaceful assembly and picketing.

A second motion, also passed unanimously, asked for resistance to the Criminal Justice Bill during its passage through Parliament. It further sought reform of the judiciary, abolition of the post of Lord Chancellor and for the Home

Office to be replaced by a Ministry of Justice.

Mr Skinner, MP for Bolsover, said that the legal system was riddled with elitism and patronage. There was Freemasonry among judges, who were unelected, used arcane language and wore kinky clothes.

More and more police chiefs were delving into the political arena and now the Home Secretary, Mr Douglas Hurd, was seeking to placate the right wing by removing the right to silence.

"We should say loud and clear that we do not believe in the rule of law that protects only the minority, that allows Mr Archer and his radiant wife to be able to go to court because he has a lot of money and that when Mark Phillips appears and get off with a token fine," he said to prolonged applause.

Mr David Anderson, Macclesfield, proposing the motion to repeal the Public Order Act, said that it was also time to scrap the Official Secrets Act.

There were two significant debates yesterday which, in their very different ways, strengthened the case for Mr Skinner's efforts to modernise and redirect the party.

The most lively and ill-tempered exchanges were, predictably enough, in the debate on black sections. Most of the protest on this issue came from black delegates themselves; from those more eager to assert women's rights and from the vociferous left. Not so much came from Asians.

This was no accident. Some leading Asian delegates deliberately absented themselves from the debate. This may have been convenient for the party leadership yesterday, but it pointed to a broader trend which may present a problem for Labour unless it can adjust its approach.

The Asians do not see their political interests as being necessarily identical with those of the blacks. Labour is the traditional party for both communities. But among Asians there are many small businessmen and a flourishing entrepreneurial spirit, which could easily find a more comfortable home in one of the other parties if Labour fails to respond to changing social conditions.

## ELECTORAL REFORM

### Hattersley leads attack on voting 'folly'

By Nicholas Wood and Peter Muligan

The Labour leadership's deep-rooted opposition to proportional representation was thrown into sharp relief yesterday when Mr Roy Hattersley led a platform attempt to crush a move committing the party to consideration of electoral reform.

Labour's deputy leader contemptuously dismissed a grassroots resolution as folly, saying that it would signal an abdication from the party's traditional claim to be the only alternative party of government.

It would only give comfort to the SDP and would mean an end to Labour's quest to win power on a platform of radical change.

"With PR and the inevitable hung Parliament it produces, the people vote first and then the politicians juggle together afterwards to decide what policies they are going to introduce in Parliament."

"PR is the only way to obtain some sort of victory and some sort of power for policies nobody likes. And you should therefore not be surprised that David Owen supports it."

"PR prevents the radical change which this party supports and on which this party campaigns. That's why it's so popular with the soggy middle ground."

But Mr Hattersley was heckled throughout his speech by Mr Roger Page from Warley East, who came to the rostrum to underline his protest that the Labour deputy leader was not speaking to the motion.

The composed resolution, the distillation of 29 constituency motions arguing the case for electoral reform, was carefully worded to avoid commit-

ting Labour to embracing PR.

But Mr Hattersley insisted that it would be inevitably interpreted in this light outside the conference and it was heavily defeated.

Delegates counter-claimed that the party's policies now under review it was inconsistent to leave the electoral system untouched.

Mr Tony Watmough of Chorley argued that if Labour was serious in stating that nothing must be left out of the policy review it would be perverse to vote against the motion.

He maintained that there was nothing intrinsically socialist about the first-past-the-post system pointing out it was not used by sister socialist parties in Europe and in elections of Labour's leaders, parliamentary candidates and conference delegates.

Proposing the motion, Mr Paul Dowden from Mole Valley said that Labour could not expect legions of supporters to turn out time after time unless it could claim to be offering them a share of real power.

Mr Austin Mitchell, the Labour MP for Great Grimsby, was accused of making a disgraceful statement in urging the party not to contest seats in the South-west. Mr Kevin Stephens of Gloucester was applauded when he said that the call was an insult to the hundreds of good comrades who worked every day during the general election and would continue to do so to win the seat.

Mr Peter Hain, the unsuccessful Labour candidate in Putney in June, said that the current system was unfair. However, the heart of the British system of representative democracy has always been single member seats where the local MP could be accountable to a local, small area.

## Radical union role sought by Meacher

By Martin Fletcher, Political Reporter

Mr Michael Meacher, the shadow employment secretary, will this morning call on trade unions to adopt a radically new role and style as a prelude to turning the tide of hostile government legislation.

In a speech on the future of the unions at Congress House in London, he will tell his audience that they have to recruit a far wider range of members, offer many more services, involve members much more closely in their decision-making, and participate in company decision-making on such matters as the introduction of new technology.

The speech is part of a sustained drive being embarked on by Mr Meacher to dispell the widespread public view of unions as negative and destructive forces.

He will tell the unions: "The Labour Party has allowed the Tories to take the initiative in setting the agenda for Trades Unions during Mrs Thatcher's first two terms, and we have been pushed on the defensive by four successive Thatcher anti-trades unions Bills. It is time we took the offensive."

The first thing the unions had to do to offer "a credible and effective alternative to today's institutionalised

trench warfare" was halt the decline in their memberships.

This they could do by:

- Extending recruitment to part-time, temporary, fixed-term-contract and home-based workers, most of whom had everything to gain from strength borne of collective action

- Offering improved services to members. As well as their traditional bargaining role unions should be providing services such as legal aid, financial advice, credit cards and discount purchasing. "Sound advice on which pension scheme to join improves a worker's standard of living just as a pay rise does."

- Improving communication with workers rather than simply passing on decisions already taken

- Participating in company decision-making on issues such as training, health and safety, the introduction of new technology, manpower planning and production issues.

Looking forward to the 1990s Mr Meacher envisages a world in which confrontation was replaced by far greater union participation and involvement in management decisions, but with a clear recognition of fundamental workplace rights.

## Deportation opposed

Conference gave unanimous backing to a campaign opposing the deportation to Sri Lanka of Tamil Tiger supporter Viraj Mendis, who has been living in sanctuary in a Manchester church for the past eight months.

Mr Duncan Edwards, Manchester Central, successfully proposed in an emergency resolution that the Home Office

be contacted immediately, used to show compassion and asked to give a promise that Mendis would not be taken forcibly from the church.

A motion condemning the Iran-Iraq war, opposing the involvement of outside military powers in the Gulf and calling for an arms embargo on both belligerents was overwhelmingly carried.

## COMMENTARY



Geoffrey Smith

premature and might tempt Labour to seek refuge in an illusion. There is no prospect of a deal this side of the election.

Neither Labour nor the new party could deliver an electoral pact, and the attempt would be damaging for both of them. For Labour it would imply a confession that they were no longer a truly national party. For the Alliance it would mean an explicit link with Labour that would frighten off many potential voters.

The sensible course for both of them is to say and do

nothing before the election that would make it more difficult than it need be to cooperate after the election, if parliamentary arithmetic suggests that. But it would be pointless for them to go any further than that.

The significance of the proportional representation debate is that the conference resisted the temptation to send a nod and a wink to the new party. It appreciated that Labour's salvation lies with itself.

There are no short cuts for Labour. If it wants to return to power it must reform itself first. This is the issue that has dominated the week's proceedings. Nothing else has really mattered.

Whether Labour is capable of such reform we cannot yet tell. Whether Mr Skinner can adopt a realistic defence policy without jeopardising his personal credibility, with the public as much as with his party, I question.

But at least he has recognised the need for change and he will have determined support from the most moderate and some of the most influential trade union leaders. The future pattern of British party politics will depend a great deal on whether the attempt succeeds.

Some of the programmes scheduled for screening during the 1987/88 season of THE SOUTH BANK SHOW starting this Sunday

**Maria Callas**  
The woman who, it is said, changed the face of opera. The astonishing story of her life and career

**Eric Clapton**  
Britain's foremost rock guitarist, in profile and performance

**Andy Warhol**  
A film biography of the American pioneer of pop art, film maker and self-styled superstar

**Paul Bowles**  
Filmed in and around his home in Tangiers, the American writer of *The Sheltering Sky* and *Let It Come Down*

**Bertolucci**  
Filmed on location in China, the director of *Last Tango in Paris* and *1900* on the set of his latest film *The Last Emperor*

**Jackson Pollock**  
The life and work of the American artist whose 'drip' paintings heralded him as the painter who finally went beyond Picasso

**Toni Morrison**  
One of America's most distinguished novelists, on the eve of publication of *Beloved*, a new novel set in the period of the abolition of slavery

**Georg Solti**  
A profile of the Hungarian Conductor, filmed in Budapest and the places where he spent his childhood

**Lenny Henry**  
A dramatised comedy documentary on one of the UK's most remarkable, and popular, comedians

**Terence Conran**  
A portrait of the man who has revolutionised design in the homes of Britain

**Ken Russell's ABC of British Music**  
A personalised voyage through the alphabet from Albert Hall to Zadock the Priest, via The Beatles, Queen and Vaughan Williams

**Aboriginal Art**  
To mark the Bi-Centenary of Australia, a film about the original inhabitants and the art they are producing today

**Gore Vidal**  
Talking about his latest volume of fictional-history of America and a new book of essays

**Frank Rich**  
The most powerful theatre critic in America, talking about the current state of American art

**The Smiths**  
A profile of one of Britain's most successful rock bands: from start to finish

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# Schools may charge for some textbooks under new proposals

By John Clare, Education Correspondent

Text books could be among the "extras" that state schools will be allowed to charge for in future, according to a consultation document published by the Department of Education and Science yesterday.

It suggests that schools cannot be required by law to "maintain an adequate provision of books" without charging for them because of the difficulty of defining what "adequate" means.

Department of Education officials agreed that the effect of the proposals would be to allow schools in more affluent areas to offer a broader curriculum than others. Those which were short of up-to-date text books could require parents to buy them.

The document insists that the Government remains firmly committed to the principle of free school education. But it says the principle was never intended to prevent schools charging parents "for what are generally described as extras".

The problem, the document says, is that rulings by the High Court and local government ombudsmen have narrowed the definition of what extras are, causing local education authorities and schools substantial difficulties.

"They fear that their ability to offer pupils a range of

what is an essential part of the curriculum and what is an optional extra.

For example, it says, it might be thought desirable to include in the list of items for which it would be unlawful to charge "an adequate provision of books, equipment and materials". But it adds, "there is the possibility of uncertainty about the definition of adequate."

"There must be a practical limit to the obligation of authorities to provide books, equipment and materials. For example, if a pupil chose to learn the tuba, should an instrument be provided for that pupil by the school or local authority?"

The proposals do not affect the voluntary parental contributions on which many schools already rely heavily. Comments are required by November 30. Legislation will be included in the forthcoming education Bill.

Mr Jack Straw, Labour's education spokesman, described the proposals as the first step on the slippery slope to fee paying in state schools.

**Charges for School Activities:** consultation document. (Department of Education and Science, Publications Centre, Cannon Park, Stanmore, Middlesex.)

Leading article, page 11

## Crisis farms must diversify or fold

By John Young, Agriculture Correspondent

Thousands of farmers attending the National Small Farming Event at Stoneleigh, Warwickshire, this weekend are searching for ways of increasing their incomes by starting new businesses.

High interest rates, increasing costs and depressed prices for their produce mean that many families, particularly on upland livestock farms, are unable to make a living.

The stark message is to diversify or face the prospect of being forced to sell up.

The number of holdings in Britain has been slowly declining for many years, mainly because of amalgamations, but also because of roads and urban development. The Ministry of Agriculture puts the total in June last year at 250,100, compared with 265,500 10 years earlier.

Some 114,500 are of less than 50 acres, and another 64,000 are of more than 120 acres. It is these small farms whose viability is threatened.

Senior bank officials have estimated that up to 10 per cent of all farmers in Britain may be in serious financial trouble, and in many cases are not earning enough to service their debts.

Bankruptcies are relatively rare in the industry because even the most heavily over-borrowed farmer is unlikely to owe more than the total value

of his land and buildings. But a firm of chartered surveyors in Gloucester, Bruton Knowles, says it has rescued two farmers from the threat of bankruptcy by advising them on how to restructure their finances.

The more usual course for those who feel unable to carry on is to sell up and retire or seek other employment. The trickle is likely to become a flood unless enough families can find the energy and the ability to create new money-making enterprises on their farms.

That is not as easy as it sounds. Mr David Hallard, director of the marketing division of the National Farmers' Union, said: "Many people find it very difficult to diversify."

"It is difficult to start a new enterprise which needs a whole range of different skills. Some farms are just not suited to anything other than farming."

Planning controls are a barrier to new businesses. Once land has been designated for farming, it is often extremely difficult to obtain permission for a change of use.

The Government's recent consultative document suggested there should no longer always be a presumption in favour of agricultural use. Local authorities, however, are wary of change.

## 8 years for strangling schoolgirl

A teenager convicted of killing a girl aged seven after watching strangulation scenes on a video film was sentenced to eight years' youth custody yesterday.

Anthony Shirley, aged 19, was cleared of murdering Nicola Spencer, who was found strangled at the seaside resort of Skegness, Lincolnshire, before last Christmas, but was convicted of manslaughter.

Mr Justice Jupp said in the High Court, Nottingham: "He apparently, on his own confession after watching a video which contained a nasty strangling scene, went straight away and strangled the girl."

"I am not able to say whether or not he caused the other but there will be a lot of people interested in discussing this aspect of the case. I can't find any other possible motive."

"This is a very bad case of manslaughter, however you view it."

When the trial opened, Mr Stephen Cowan, QC, for the prosecution, said that the girl's mother, Mrs Christina Spencer, aged 26, had gone out for a drink with friends. Her boyfriend, Mr Nigel Marriott, aged 26, discovered the girl's body at the flat in Grosvenor Road, Skegness, when he went there to fetch Mrs Spencer's asthma inhaler.

Five weeks after the killing, detectives questioned Shirley, who admitted going to Mrs Spencer's flat to collect a video film he had lent Mr Marriott. He told police he strangled the girl in a dispute over the film after she told him not to take it away.

Shirley, of Lumley Road, Skegness, admitted in court watching the strangulation video, *Class of Nuke 'Em High*, with his parents on December 18, the night the girl died. Then he went to the Variety Bar in Skegness where he sometimes helped out with the disco. However, he denied visiting the girl's flat.

He claimed that the earlier confession to the killing that he had made to police had been extracted while he was frightened and under pressure from long interviews. He said a detective inspector had pretended to be a civilian witness to trap him.

Mr Brian Appleby, QC, for the defence, said the mother had a string of lovers, drank heavily and frequently left the child on her own until 2am.

He said at least 100 people could have entered the flat that night and were capable of killing the girl.

## Wriggling pests in the bath

By John Cooney

Hundreds of cels and worms are invading the homes of villagers in a remote part of the Irish Republic.

One woman was about to slip into the bath when she saw cels up to 1½ inches in length in the water.

Many families in Maghera, Co Donegal, have been advised for health reasons to boil their drinking water for at least 20 minutes. Meanwhile, the village public house is doing a roaring trade.

The source of the problem is a corroded pipe in the normally pure water supply from the Donegal mountains to the homes of 30 families.

As a result of ruptures and bursts in the pipes hundreds of cels and worms are entering the water system and making their way into the tap water.

Mr Danny McGinley, the area's Fine Gael deputy in the Dail, said yesterday that he believed the cause of the trouble was in the pipes laid nearly 50 years ago.

A spokesman for the families, Mr Paddy Doherty, said that one of his neighbours was filling the kettle when she noticed things in the water.

She poured the water into the sink and discovered that they were cels.

Mr Jim Hemmings, a

journalist, said that a number of people had endured bathroom nightmares. Hundreds of cels and worms had been discovered wriggling in one woman's bath water.

Mr McGinley said that he had raised the problem with Donegal County Council and with the Department of the Environment in Dublin.

Plans were at an advanced stage to replace the entire pipe. Meanwhile, the only consolation was that the cels were alive.

"Had they been dead the local people would have more to worry about", Mr McGinley said.

## Use rules change to unseat hard left, moderate unions urge their members

By Roland Radd

Hard left Labour MPs who have always regarded their position as impregnable left the Labour Party conference yesterday under the threat of deselection from moderate trade unionists.

Previous casualties of deselection have been right wing or centre left Labour MPs, but trade unionists are predicting that hard left MPs could also find themselves out of a job in future.

The hard left fought bitterly this week against the introduction of a "one member, one vote" selection process because they knew they had most to lose.

Under the old system many hard left MPs gained selection with tiny majorities on general management committees in the hands of unrepresentative activists. Some constituency selection meetings were so badly attended that they needed the support of only 10 delegates to form a majority and capture a safe seat.

Under the new electoral college system, overwhelmingly supported at the party

conference in Brighton, each member of a branch will have an individual vote, which will account for 60 per cent of the total needed for selection. It is hoped that the one-year minimum set for branch membership before a member can vote to select a candidate will prevent branch stacking.

Leading members of the three largest unions are confident that if they retain control of the union block vote, which will make up the other 40 per cent, they will be able to unseat hard left MPs in favour of more representative candidates.

It will not be easy. The hard left has won control of the trade union block vote before, in Knowsley North, Liverpool, where the Militant Tendency waged a bitter war against Mr Robert Kilroy-Silk, the sitting MP.

Mr Bill Jordan, the engineers' leader, warned fellow trade unionists this week that they must become more active in the new electoral college, saying that the hard left "have shown that they can work the system better than we can".

He believes the hard left will attempt to control the only block vote left in the selection procedure, and that the "dramatic shift in the battleground" from the constituency to the trade unions "will be just as bloody as the old fights".

The key to the unions' struggle to purge hard left MPs will be whether their delegates attend constituency selection meetings.

Mr Eddie Haigh, the moderate assistant general secretary of the transport workers' union, says that "it is now more important than ever that trade union delegates take up the seats allocated to them in each constituency".

Mr David Warburton, principal national officer of the municipal workers' union, said the new electoral college "was the most significant step in making the Labour Party more representative and isolating the extremists".

Two Labour MPs who support the Militant Tendency, Mr Terry Fields, Liverpool Broadgreen, and Mr Dave Nellist, Coventry South East, head the list of those that

moderate unionists are determined to unseat.

The electricians' union is planning to give its members more information about where Labour prospective parliamentary candidates stand within the political spectrum. Members will be balloted before union delegates cast their vote in selection meetings.

Not all trade unions will use the same procedure, but most members would find it difficult to disagree with Mr Eric Hammond, the electricians' leader, who yesterday predicted that if ordinary trade unionists have all the necessary knowledge about each candidate, "the hard left will not have a chance".

Labour's attempts to absorb aspects of Thatcherism will never win it power, Mr John Patten, Minister of State at the Home Office, said last night.

He told his constituents in Oxford West and Abingdon: "If the people of this country like what we are doing, they are extremely unlikely to vote for a party bent on stealing our clothes, but who have no original ways of wearing them."

## Court of Appeal delays

## Master of Rolls calls for more judges

The only way to speed up hearing of civil appeals was with additional judges and more court rooms, Sir John Donaldson, Master of the Rolls, said in the Court of Appeal yesterday.

Although the court provided a service for really urgent appeals which was unrivalled anywhere in the world, the overall picture was that of a court swimming strongly against an ebb tide, neither reaching the shore nor getting swept out to sea, Sir John said.

There was an urgent need

for more lord justices not only to hear civil and criminal appeals, but to sit in the Queen's Bench Divisional Court, which heard cases raising questions of public law.

But more lord justices would not solve the problems without courts in which they could sit. There was also an equally urgent need to consider restricting rights of appeal.

Sir John was giving his annual report reviewing the year's work of the courts which, he said, ended with 954 appeals outstanding. Compar-

ative figures for the previous years were 953; 943; 974; 924 and 1,100.

A crucial test case to establish whether whooping cough vaccine can cause permanent brain damage is to start at the High Court in London on Monday.

The outcome of a claim for damages being brought on behalf of Susan Loveday, aged 16, of Hackney, east London, will be vital in determining the success or failure of individual claims by a further 200 children, allegedly damaged after being vaccinated.

Mr Justice Stuart-Smith, the judge assigned to deal with all the vaccine damage claims, will first decide whether the vaccine can cause brain damage. That part of the case is expected to last three months.

If the judge rules that the vaccine can cause permanent brain damage, he will then have to decide whether Susan Loveday was in fact damaged by being given the vaccine as a baby.

The vaccine manufacturer, Wellcome Foundation, has been joined in the action. It will bear its own costs.

## BT fights complaints over direct debit snag

By Michael Dynes

British Telecom, still smarting from a flood of customers' complaints, is fighting to avoid criticism of its direct debit bill paying facility.

Under the scheme, which was introduced in July, customers pay their phone bills in regular monthly instalments instead of the customary quarterly charge.

But it has encountered widespread difficulties, especially in the South-west, because of its unexpected popularity.

Customers have been wrongly disconnected, and received final demands for bills already paid.

British Telecom said that in some areas twice as many people as expected had applied for the new scheme and this had caused a backlog of paperwork.

"Some customers had not completed their direct debit forms until after the final demand had been sent out, and so did not give us sufficient time to make the necessary arrangements with the banks", the company said.

BT, which hopes to introduce the system throughout the country by the beginning of next year, said that it was making every effort to sort out the difficulties.

## Parade ban

A parade planned by National Front and British National Party supporters in Dewsbury, West Yorkshire, on October 17 has been banned by the Home Office. Police said serious public disorder might occur if the parade, to support white parents boycotting a predominantly Asian school, went ahead.

## Fatal crash

John Foulston, aged 40, chairman of Brands Hatch motor racing circuit, died from multiple injuries after crashing his McLaren car during a test drive at the Silverstone circuit on Tuesday, an inquest in Northampton was told yesterday. The inquest was adjourned.

## Climb death

An inexperienced British mountaineer, Geoffrey Halewood, aged 22, fell to his death on the Matterhorn in Switzerland in June after ignoring a warning not to climb because of poor weather conditions, an inquest at Waterloo, Liverpool, was told yesterday. A verdict of misadventure was recorded.

## Tank rescue

A West German Leopard tank and 12 German soldiers based at Castle Martin, Dyfed, were called to haul clear a tractor and trailer which threatened to slide down an embankment on a row of cottages in Solva, Dyfed, yesterday.

## Sex platform

Mrs Cynthia Payne, dubbed "Madam Sin" when she was acquitted this year of running a London brothel, said yesterday that she would stand for Parliament at the next general election, campaigning for legalized brothels.

## TIMES SELECTION OF EIGHT HEATHERS FOR YEAR ROUND COLOUR



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camea 'Myretown Ruby', bright red flowers on dark foliage on low spreading plants from January to April. Erica carnea 'December Red', deep rose flowers on low spreading plants from December to April. Erica carnea 'Cherry Stevens', deep cherry red flowers in masses on a medium height heather from January to April.

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## WORLD SUMMARY

## Bork nomination suffers blow

Washington — The nomination of Judge Robert Bork to the Supreme Court has been dealt a severe, and probably fatal, blow by the decisions of four conservative southern Democrats and a key moderate Republican to oppose him (Michael Binyon writes). But President Reagan, defiantly holding his ground, said he would continue his fight for the judge's confirmation. "I'm working my head off to make sure that we don't lose it," he said on Thursday.

Senator Lloyd Bentsen of Texas yesterday became the fourth southern Democrat within 24 hours to oppose Judge Bork, criticizing his record on civil rights and individual privacy. The most damaging setback was the announcement by Mr Arlen Specter, a Senator from Pennsylvania and the only undecided Republican on the Senate Judiciary Committee, that he would also vote against Judge Bork.

## Iranian warning

Dubai — Tehran's second most powerful figure predicted further confrontations in the southern Gulf yesterday as the Iranian Navy went into action against an Indian vessel and an Iraqi jet attacked a Greek shuttle tanker (Nicholas Beeston writes).

Hojatollah Ali Akbar Hashemi Rafsanjani, the Speaker of the Iranian Parliament, was speaking at Friday prayers in Tehran.

The attacks on the two ships follow a tit-for-tat pattern over the past 10 days. After daylight Iranian attacks on Japanese ships on Wednesday, Japanese seamen and shipping companies yesterday announced an indefinite moratorium on sailing into the Gulf.

Letters, page 11

## Bourguiba new heir

Tunis (Reuters) — President Bourguiba of Tunisia in effect appointed a new successor yesterday by naming the Minister of State for the Interior, Mr Zine al-Abidine Ben Ali, as Prime Minister.

He replaces Mr Rachid Sfar, who had held the post for the past 15 months and had been Mr Bourguiba's constitutional successor. Mr Ben Ali remains head of the Interior Ministry after a crack-down on Islamic fundamentalists.

## Ida Nudel can leave

Moscow — Miss Ida Nudel, left, a leading Jewish dissident who spent four years in exile in Siberia, has been given permission to leave the Soviet Union, according to the National Conference on Soviet Jewry said here (Christopher Walker writes). Miss Nudel telephoned officials in New York with the news yesterday, and said she had been granted an exit permit after a hearing on her application.

Miss Nudel, aged 56, will stay in Moscow until the end of Yom Kippur and then go to Israel, where she will live with her sister. She has been battling to emigrate for 16 years, and after the release of Dr Nathan Sharansky and Josef Begun was the most prominent seeking to leave. In 1978 she was arrested for hanging a sign from her Moscow flat reading "KGB let me go to Israel", and was sentenced to the Siberian town of Krivoshino.



## Aids trial in Germany

## US victim fights charge of grievous harm to partners

From John England, Nuremberg

An American suffering from Aids had homosexual relations with an Italian, a Spaniard and a West German without telling them that he was infected or taking precautions not to infect them, the High Court here was told yesterday.

The American, Mr Linwood Boyette, aged 45, an ex-serviceman and former cook who has lived in Nuremberg for several years, is charged with attempting to cause the men grievous bodily harm in the first such trial in West Germany. If found guilty, he could go to prison for up to five years.

His case has aroused the passions of the left and Aids help organizations who say that he should have been charged only with attempting to cause harm through negligence.

There has also been an angry debate over the case in the conservative-dominated Bavarian Parliament in Munich, which earlier this year, in a go-it-alone step in West Germany, introduced tough new laws against Aids victims.

Mr Boyette has sworn that he had no sexual contacts with either men or women after he

was told in June last year that he had Aids. Evidence given yesterday by a judge and a police officer who questioned him after his arrest last February, based on vague statements by his Spanish and West German sexual partners, also failed to establish the exact dates of the alleged sexual acts.

The defence lawyer, Herr Karl Heinz Becker, is making the most of the uncertainty and claims that his client has no case to answer. Mr Boyette told police that he met the other men in two gay clubs in Nuremberg and had oral and anal sex with them before being told by a US Army hospital doctor that he had Aids.

He had gone to the hospital for treatment for venereal disease and blood tests established that he was also suffering from Aids.

The US Army was required to report his infection to the local health authorities because he was now a civilian, and he was arrested.

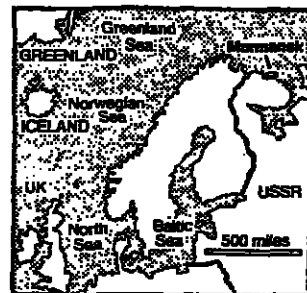
The court was told that the Spanish man was also suffering from Aids, although Mr Boyette is not accused of infecting him. The Spaniard

The proposal by the Soviet leader, Mr Mikhail Gorbachev, to limit military activities in the Baltic and other key northern waters is a carefully concealed attempt to undermine a new American naval strategy which has been causing concern in the Kremlin since last year, according to defence experts.

In January last year, the Americans dramatically changed their naval tactics. Under a policy of forward

defence, US submarines and aircraft carriers would be deployed rapidly into the Barents Sea and Baltic Sea, in the event of war with the Warsaw Pact, to catch the Russian ballistic missile submarines in their home waters before they had a chance to leave.

The switch in tactics came about for two main reasons: first, the Soviet submarine fleet in the Kola peninsula had been steadily building up; and second, the Russians began



building much quieter submarines. The Americans realized they could no longer rely on being able to track the submarines once they had left their home waters.

The new American policy, which, it is assumed, would also involve other navies including Britain's, caused a major impact in Moscow, because the implication was that in war, Nato submarines would from the very beginning strike at the Soviet ballistic missile force.

Mr Gorbachev's speech was without question aimed at this

American policy. But he couched his attack in careful political language. Thus he wooed the Scandinavian countries which are worried about their vulnerability and the build-up of submarines in the area, with talk of reducing military activity, new fishery agreements and an improved environment.

The first indication of this new political strategy came last month when a Soviet fighter threatened a Norwegian Orion aircraft and bumped its wings. After a

Norwegian protest, there was a profuse apology from the Russians, claiming it had been a mistake. The incident was a sign of nervousness on the part of the Soviet air defence command, particularly after the flight to Red Square of the West German pilot, Matthias Rust. But the exaggerated apology showed how desperate Mr Gorbachev was not to ruffle Norwegian feathers, only two weeks before he was due to make his speech about a more secure environment in the region.

## Gorbachov's Baltic offer

## Kremlin counters US naval strategy

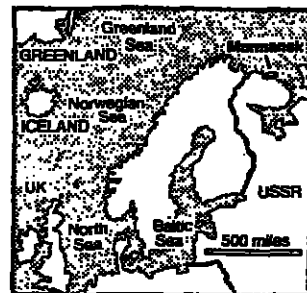
By Michael Evans, Defence Correspondent

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## 'All must make merciless war on inefficiency'

Following is the partial text of the keynote speech on the Soviet economy made by Mr Gorbachev in Marmansk.

We shall continue to take decisions and adopt measures motivating everyone in the economy to be cost-conscious. This is the meaning of reform in planning and management, and one of the goals of perestroika. But we should enlist also the conscience of everyone to make merciless war on inefficiency. There still remains a lot of it to be mopped up in every sector of the national economy and, indeed, in every collective and at every work-station, for that matter.

Just think of all the losses incurred in harvesting and the storage of farm produce, wood-felling and construction. Every one of you sitting here can apparently cite without a moment's hesitation dozens of examples confirming that mismanagement. We are still impermissibly, criminally wasteful and extravagant. We should realize this and change absolutely everything in the country for the better.

When we learn to be efficiency-minded and achieve proper economic order in the way things are done, where each of us works, the economy will benefit tremendously. It will no longer be necessary to build dozens of new facilities worth billions of roubles and the result of the perestroika effort will be more tangible, not to mention the fact that



Mr Gorbachev talking to Soviet sailors while inspecting warships of the Soviet Northern Fleet yesterday in Marmansk.

any waste tends to have the most adverse effect on morality. Stopping waste will make the moral climate in which we live, work and rest still healthier.

It ought to be stressed, comrades, that with radical economic reform in the making, our society is entering the decisive phase of perestroika.

In a talk with economic managers representing the mining plant of the Marmansk region yesterday, I said that in the Politburo we consider that a critical stage has emerged in the drive for restructuring. The success of this tremendous historic undertaking is in a competent political and economic leadership, and in the working people's high consciousness.

These are two main pre-conditions. Let us act in concert, proceeding from such an understanding of our responsible situation.

If something goes amiss and produces an unexpected, unforeseen or undesirable result anywhere, this is not enough reason to be disappointed and to give up further tries.

This is reason enough, though, for something else, namely, and solely — for posing the one Marxist, socialist, scientific question possible: What has prevented the plans from being realized? Apathy, inertia and wait-and-see attitudes are still lingering. After sorting out the causes of a failure, decisive action should be taken to put the situation right.

It will, of course, take a long time to nullify the consequences of the standstill. We have in way got accustomed to it. Our psychology has adapted to its conditions, requirements and manifestations. Such things as wage levelling and parasitic attitudes have become widespread. I would even say that psychologically the standstill was most comfortable for many. Some people are still nostalgic for that time. This must be seen and understood. This is a reality. And we should act with due account for this reality.

But seeing this reality does not mean putting up with it, and letting things develop as they would. For us, seeing and understanding is only a first

step, an indispensable prerequisite of changing the situation. It is only on the path of economic and social measures and by raising general, political and cultural standards that we shall be able to get done with all this, and that in an atmosphere of openness. This will tell most appreciably on the peoples' morality and their civic standpoint. Oblomov and socialism go different way — this we should clearly and firmly say to ourselves.

On the whole, perestroika is continuing to gain in both speed and scope and taking ever firmer hold. Everyone is duty bound to sustain and accelerate the momentum. I would like to repeat once more: everything that we have planned can only be accomplished by our own effort. There will and can be no miracle. It is only with our own hands that we can re-vamp our life, in which we are vitally interested. This is the reply.

Comrades, it is through the prism of the common effort, the tasks of perestroika as a whole, that one should look at the situation in your region, too. I have already spoken of your work contribution. We appreciate it highly. But I have criticisms to make concerning your work as well.

This is what I would like to say first of all. You live in the extreme north. The make-up of the population here is a special one, the tasks are special, the conditions in which they are handled are special. Many of the city's inhabitants have their workplace at sea, thousands of miles from home. Extra concern should be shown for these people; social and cultural services should be made available to them.

Looking at the issue from this standpoint, I would like to call attention to the low pace of home building, which has made housing an acute problem, especially among fishermen. The situation has by now changed somewhat. However, calculations existing today in district organizations which are based on the data supplied by labour collectives show that they do not measure up to the task of resolving the housing problem by the year 2000. The situation must be changed and the development pace must be stepped up.

There are quite a few difficulties with the availability of childcare centres, schools, medical, cultural and sports facilities.

It pained one to hear workers' grievances yesterday. The capacity of the Severonikel plant doubled over the past six to seven years. But neither head of the enterprise, nor heads of the branch, had enough concern, party principledness or mere conscience in handling these immense tasks to take care of the people coping with these production assignments. Once again, the approach to the social sphere rested on the take-what-remains principle. Whatever will remain. As a result, we were embarrassed with Vladimir Yemakov and other comrades to hear yesterday just remarks: there is nowhere to leave children, there is a shortage of pre-school centres. This is outrageous. What helplessness. It is utter irresponsibility.

## Pope to meet Soviet leader in January

Rome — The Pope, who this week delivered his most vehemently anti-communist speech for years, will meet Mr Mikhail Gorbachev, in January, Vatican sources disclosed yesterday (Roger Boyes writes).

Soviet officials have said that Mr Gorbachev will be able to take up a long-standing official invitation to visit Rome soon after the New Year. That message was given to the Italian Foreign Minister, Signor Giulio Andreotti, in New York, and to President Cossiga in Rome.

Vatican diplomats are assuming Mr Gorbachev will enter Vatican territory during his stay and meet the Pope. The groundwork for the audience is already being prepared.

The most complicated issue for the talks will be the question of the Pope's possible visit to the Soviet Union. The Kremlin would welcome the Pope in Moscow — next year marks the 1,000th anniversary of Christianity in Russia — but the Vatican is not keen to accelerate

the pace of reconciliation with the Russian Orthodox Church.

The Pope this week vigorously protested about the Czechoslovak Government's refusal to grant four bishops permission to attend the current World Synod. He also criticized Vietnam for barring three senior clerics from coming to Rome.

In a singularly tough speech, he made it plain that Soviet liberalization did not seem to be spreading to the religious life of some of Moscow's allies.

## National Front protest

## Le Pen party boycotts Parliament

From Susan MacDonald, Paris

The 33 deputies of the French National Front party yesterday boycotted the opening of the National Assembly's autumn session in protest at the assembly President's condemnation of their leader, M Jean Marie Le Pen.

The President, M Jacques Chaban-Delmas, a wartime resistance leader, declared he was horrified by M Le Pen's assertion that Nazi gas chambers were a "mere detail" of the Second World War.

Yesterday M Chaban-Delmas said his reaction to M Le Pen's statement had been made as a private citizen and

not as Assembly President, adding that he would not change a word of what he had said.

At the parliamentary opening session, M Chaban-Delmas called for a minute's silence in memory of all victims of genocide and all the victims of racism. The National Front's boycott decision is just a first round in what promises to be a heated seven months in Parliament before the presidential elections in May. M Le Pen, a presidential candidate himself, will not miss an opportunity to strike at the Government.

The Socialists, too, are bringing up the big guns and the first salvo has been fired across the bows of the Government's privatization programme. By criticizing the Finance Minister, M Edouard Balladur, for his policy of creating a "hard core" of reliable shareholders for the state industries being privatized before opening the buying to ordinary shareholders, the Socialists have forced a debate in Parliament which promises to be lively.

M Balladur says that the "hard core" of big industry shareholdings is necessary to

protect the interests of companies being privatized, but the Socialists say these "hard cores" are made up of the same people over and over again and that the majority are friends of the Government.

The Government's controversial Bill to reform the nationality code is not at present on the autumn session agenda. The Government is being extremely hesitant about introducing this Bill, which calls for a form of means test for foreign immigrants entitled to French nationality.

## French praised for juvenile crime project

From Philip Jacobson, Paris

With the announcement this week that the overall crime rate in France fell by another 4.5 per cent in the first half of 1987, a third successive year of improved criminal statistics is clearly on the cards.

Political credit for this will doubtless be claimed by all and sundry when campaigning begins for next year's presidential election. But behind these impressive figures there lies what one British academic has described in London as "perhaps the most ambitious

crime prevention programme" undertaken in Europe to reduce the level of offences among young people.

In a speech to the National Association for the Care and Resettlement of Offenders, Mr Michael King, a senior research fellow at Brunel University, emphasized that France's "imaginative and effective" approach to this worldwide problem had united all the main political parties and was largely unaffected by the change of government last year. The result, he said, was "a major

success story" which offers clear lessons for Britain.

The French programme was born out of the violence that erupted in the ghettos of Lyons and Marseilles during l'été chaud — the hot summer — of 1981. Acting swiftly, the Socialist Government instituted what became known as the *étés-jeunes* programme of summer camps and sports and social activities aimed at the young people in the inner-city areas.

In the search for a longer-term solution, the French authorities then established a

three-tier system of crime prevention which started in 1983. This combined central government with crime prevention councils at the department and municipal level. The end product was a range of projects aimed at the type of disadvantaged youngsters most at risk of drifting into petty crime.

The programmes covered everything from work training and job-finding schemes to encouragement, aided by official grants, of sporting, artistic, educational and recreational undertakings.

## Los Angeles counts quake cost

From Our Correspondent, Los Angeles

Jittery Southern Californians tried to get back to normal as officials added up the millions of dollars worth of damage caused by Thursday's earthquake.

The quake struck at 7.41am, killing seven and causing more than 100 injuries. It also left some 250 people homeless. But Mr Tom Bradley, Mayor of Los Angeles, was the first to admit yesterday: "It could have been worse."

The quake — 6.1 on the Richter scale — was one of the worst to hit the densely-populated Los Angeles area this century. Seventeen years ago a bigger quake measuring 6.7 struck the community of Sylmar, some 30 miles from downtown Los Angeles killing over 67 people and causing

millions of dollars worth of damage.

Urging residents to "stay calm and practise earthquake drills", the Mayor warned: "There is always the possibility that there could be more. This one caused minor damage and could be a good lesson to us."

The quake struck as millions were driving to work and thousands more were arriving at their offices and factories. Seismologists at the California Institute of Technology in Pasadena, close to the heart of the epicentre of the quake, said the it was centered just 10 miles east of Los Angeles' civic center. The quake, the third largest to hit Southern California in the last 50 years, was felt 200 miles away in Las Vegas.

Walls crumbled, windows shattered, ceilings collapsed and at least 100 fires broke out. Major freeways were closed because of structural damage to overpasses. Government offices were closed for the day so that by early afternoon the usually-bustling downtown Los Angeles was eerily quiet.

One of the worst hit areas was a 10-square block of downtown Whittier, a community of 70,000 and best known as the birthplace of Richard Nixon, which is just a few miles from the heart of the quake. Old buildings collapsed like packs of cards.

Some 50 businesses and more than 100 homes suffered major damage.

I had a strange encounter with my wife under our brass bed, as our 60-year-old house rocked around us at 7.41 am on Thursday.

She had made it to cover five seconds before me. Five minutes later we emerged, dusting ourselves off, slightly embarrassed by the ridiculous shaking of our knees. Our reaction was typical.

On television moments later, a newscaster experiencing an after-shock following the original earthquake measuring 6.1 on the Richter scale — which rolled through the state from San Francisco to the Mexican border, dived unceremoniously under his desk as the cameras rolled.

Minutes later the station's women anchors, arriving for work, were hauled into service

in front of the cameras without TV make-up, looking, with baggy eyes and tousled hair, just like the rest of us.

Outside California, the jokes were predictable. "How many got killed in the rush to their psychiatrist," quipped a colleague from out of state. However, in greater Los Angeles, where two-thirds of the state's population of 25 million reside, few were laughing.

Some 30 heart attacks were reported. A class of deputy sheriffs meeting in the county jail gazed in disbelief as their patrol cars danced a jig on the street.

Schools closed, and an airport shut because the windows in the control tower shattered. Freeways came to a screeching halt. Fires broke out all over the city as gas lines ruptured, several buildings near the quake's epicentre, about nine

miles south of Pasadena, collapsed.

The death toll was low — seven at the last count — and the quake was milder than the one that hit the San Fernando Valley — 6.7 on the Richter scale — just over 16 years ago. But this time the epicentre was closer to the high rises of downtown Los Angeles. In addition, it struck later in the morning so that people were either at their offices or en route to them, thus the panic was greater.

The after-shocks have lasted ever since. We're already beginning to ignore them, but the quake has served also to jog us out of our complacency. It has re-awakened that nagging little voice in the backs of our heads as we sit by our swimming pools looking out over the ocean, that says one day we are going to have to pay for all

this. If not this one, then with the next, or the one after that.

We are nervously checking our emergency supplies. We're hanging on the experts' every word. Did the San Andreas Fault move? Or was this simply a hiccup from one of its progeny, the network of minor faults that criss-cross the state?

Will we, as one expert predicted, perhaps experience another big one within the next 24 hours? Or the big one that another prognosticator says has a one-in-20 chance of coming along within the next five days? And where will the next one strike?

The experts seem to know as little about that as we do. Perhaps in the mountains they tell us, perhaps at the coast, perhaps in San Francisco. But they are all sure about one thing. The major quake, the really big one of 7 or 8 on the

Richter scale, will visit us sometime in the next 30 to 50 years, and this was not it.

The truth is that the animals in California seem to know more about earthquake prediction than the so-called experts. The neighbourhood dogs began howling here about four seconds before any of the humans felt a thing.

My friend in Santa Barbara, however, is a special case. She called right after the shaking stopped and told us that next November, when the moon is full and the tides are at their highest, California will experience the biggest earthquake since the near-destruction of San Francisco in 1906.

How does she know? She read it in a 1976 copy of *Omni*, a popular science journal. She is planning to take her annual vacation that month, she says. I have consulted my dog, and he dreams I do the same.

سكنا من الامل



## Secretive succession of power in Mexico

## De la Madrid goes through ritual of 'king-making'

From Charles Bremner, Mexico City

Out of a ritual more in keeping with the Vatican than 20th century politics, Mexico this weekend expects to learn the name of the man who will become President and lead the country into the middle of the next decade.

It is the time of the *dedazo* — the finger pointing — when the outgoing President unveils his anointed heir in a ritual redolent with the symbolism of ancient king-making. The choice of President Miguel de la Madrid, it is assumed, will be from one of three favourites, dubbed by wags here as "the handsome, the ugly and the bad".

One of the three — Señor Alfredo del Mazo, the crowd-pleasing Energy Secretary, Señor Carlos Salinas de Gortari, the bald Planning and Budget Secretary, or Señor Manuel Bartlett Díaz, the tough Interior Minister — is virtually certain to be elected next July to lead Mexico's 70 million people for six years.

The timing of the unveiling of the new presidential heir is never announced in advance but sources at the ruling Institutional Revolutionary Party (PRI) said they expected the name to emerge from a top-level party gathering early tomorrow.

The cabalistic succession has preserved the monopoly of power of the PRI for the past 38 years since the end of the upheavals of revolution and civil war. But this time the stakes are higher than ever.

The new President will not only have to guide the country away from the shoals of economic disaster, but also probably oversee the opening up of Mexico's effective one-party state.

The betting in Mexico City is currently on Señor del Mazo, aged 42, although some say Señor Bartlett, aged 50, may get the job because, with his age and experience as chief of the security apparatus, he better fits the *macho* profile of the tough Mexican politician.

Señor del Mazo, is a former



The favourites to succeed President De la Madrid are, from left, Señor Salinas, Señor Bartlett and Señor del Mazo.

Governor of the state of Mexico, a job which his father also held. He has given no indication of the direction in which he would lead Mexico but his antecedents are firmly in the aristocracy of the PRI. In the opinion of many, this may be the last of the secretive passing of power by the PRI, a vast structure of patronage that encompasses all sectors from the peasants to the state bureaucracy.

The PRI, which determines the fate of tens of thousands of government workers, holds every state governorship and every Senate seat. Its opponents claim that it uses money and fraud to secure its always strong big majorities at election time.

The country has just witnessed the most turbulent run-up to the unveiling for decades, as a dissident section of the PRI has demanded an open election of candidates.

The appearance of the PRI's



"Democratic Current" faction has coincided with a surge in support for a right-wing business-based party, the National Action Party (PAN), and a re-united Socialist Party of Mexico. From left to right, and within the dissident faction of the PRI, the view is the same. The Mexican people, after long preferring apathy to the risks of new capitalism, are increasingly restive about the PRI's

inefficient and corrupt way of doing things.

"There is a climate of discontent and a growing abyss between the people and the Government," according to Señor Luis Álvarez, leader of PAN, which has gained surprising strength in the northern states.

On the other side, Señor Heberto Castillo, a senior figure of the left, says Mexico is facing its worst situation since 1930. "The middle class, the working class and peasantry are increasingly dissatisfied."

Mexican leaders have a history of lining their pockets from the public coffers, a practice that President de la Madrid promised to stop.

Even Señor Fidel Velázquez, the 87-year-old boss of the main labour union, agrees: "The situation we now confront is the most difficult of my career, he says."

The discontent of his workers stems from an inflation rate of 150 per cent, an unemployment rate of about 40 per cent and a 40 per cent drop in the standard of living since the crash of 1982 that nearly saw Mexico default on its massive foreign debt.

President de la Madrid has warned the bankers' hearts with an austerity programme that is beginning to bear fruit, especially in the stock market, which is booming. But little of it has filtered down beyond the middle class.

## Nicaraguans celebrate paper's return



Delighted Nicaraguans proudly showing off the first edition of *La Prensa* newspaper published in Managua since it was shut down by the Government 15 months ago.

official organ of the Sandinista Party — or *El Nuevo Diario*, a critical though pro-government daily. It was the first time she had bought *La Prensa*.

However, few Managuans said they would stop reading pro-government newspapers, and many indicated that having the freedom to make up their own mind was the key issue.

Although its editors say *La Prensa* is concerned only with telling the objective truth, its hostility to the Government seethes. The news carried in the first issue is given over to denouncing Sandinista policies.

One front page story accuses the Government of squandering \$7 billion in the eight years it has been in power. A report on a partial truce in the six-year war is relegated to the back page.

In Nicaragua, *La Prensa* used to have a reputation for publishing sensational stories with political overtones, such as a report on a famous statue of the Virgin Mary which allegedly began to perspire miraculously, because of the Communist takeover of the country.

In February 1984, *La Prensa* published a tale of a woman who claimed to have given birth to a chicken, a few months after undergoing surgery. According to doctors working in remote rural areas, the story terrified uneducated peasants who began to refuse government medical services.

"If *La Prensa* becomes a really first-class newspaper, they can beat us," said Sofia Montenegro, leader editor of the Sandinista Party newspaper *Barricada*. But, she added smiling: "They won't."

## Brazil's agrarian reform

## Old scores settled in blood as the land feuds rage on

From Mac Margolis, Fazenda Capaz, Brazil

Buckshot fired at a 10 paces from a single-barrelled, 12-gauge shotgun makes a hole the size of a man's hand in a hardwood door. One shot can drop a bear or lift a grown man off his feet. So in a way, you could say that John Davis was lucky.

When the red Ford coupe braked that midnight by his front door and the gun roared, he had time to turn around from where he was standing guard and take a few steps back into the house. The gunman's aim was slightly off, sending lead crashing off the side of a pickup truck and ricocheting through the front door. Two pellets grazed his back and arm, two others hit his legs.

Today, John Davis, a gangly boy of 16 and showing the first traces of whiskers, laughs off that midnight assault six months ago on the family farm in the Brazilian Amazon. The mirth is not so much a show of frontier bravado as of learned deference to the ways of this rough backcountry, where feuds over land abound.



and scores are often settled in blood.

The trouble dates back two generations, to the days of John's grandfather. In 1961, Mr John Weaver Davis, a Mississippi farmer and Presbyterian minister, was casting about for a place to raise a family and continue the Lord's work. A fellow church-goer told him about Brazil's northern frontiers, "paradise" of boundless lands and squalid poverty — ideal for sowing crops and God's word.

The evangelist bought 250,000 acres in the northern state of Para. He called it Fazenda Capaz. Little did Mr Davis know that he had made his home in a battlefield. Shortly after he bought his farm, hundreds of squatters moved in. The growing tensions exploded in July 1976 when Mr Davis and two of his sons, Mallory and Bruce, were shot down in an apparent ambush by some 60 squatters. No one has been convicted of the crime. And the Davis family has known only interludes of peace ever since.

Though violence is a traditional feature of this nation's vast backlands, conflicts over property have spread recently to all 25 states and territories. In 1985 and 1986, almost 300 Brazilians were killed in land-related disputes, according to the Land Pastoral Commission (CPT), linked to the Catholic Church. Already this year, 110 have died in clashes between squatters and landowners or their hirelings. The blood-letting is worst in the Amazon, where deeds to land are often disputed by multiple claimants.

In one of the roughest regions, the Parrot's Beak, where the Amazon meets the central scrublands, M-16s have become standard equipment for farmers.

In late August, in the plains of Goiás, Father Francisco Cavazzutti, a Catholic priest known for his work with the landless, was hit in the face by

Gunman was paid \$2,000 for killing

a shotgun blast as he walked to his car after saying evening mass. Doctors said he will probably be blinded for life, if he lives at all.

In June, Senator Paulo Fontelles, a Para state congressman and attorney who often represented squatters, died after being shot in the head. The leading suspect, a Para rancher, was allegedly evened the score for the murder of his son in a shootout with squatters.

Father Josimo Tavares, a Catholic priest who also defended landless peasants, was shot dead by a gunman last year in the main square of Imperatriz, a bustling town with 200,000 inhabitants. The gunman admitted to working for a big farmer and being paid \$2,000 for the killing.

Brazil's agrarian reform programme has so far yielded only violence. It was announced soon after President Sarney took office in 1985. The first civilian president after two decades of authoritarian rule, Senator Sarney aimed to confiscate land from wealthy landowners and distribute millions of acres to 7.5 million landless peasants.

Almost immediately, the plan met fierce resistance. The big farmers denounced it as too radical, while the political left and the church called it tame.

Three agrarian reform ministers have come and gone in just 28 months. The first two fell prey to the political crossfire between the powerful lobbies of the landed and the landless. The third, Senator Marcos Freire, was killed,

Davis family vows to keep their farm

along with six top aides, last week when an Air Force jet crashed in the jungle. Meanwhile, of the 450,000 families Brazil's promised to settle by end of this year, only 37,000 have been given plots. Dozens of settlement projects have ended up in prolonged court proceedings. "Land reform is the most explosive issue in Brazil today," Senator Freire, said days before his death. The story of the four surviving Davises has been but one scene in the turbulent land drama, a veritable frontier saga of bullets, bureaucracy, and stubborn achievement. But despite all the problems, the Davis family plans to stay on. "Brazil is our home. We have no plans to leave," said the oldest surviving son, Johnny, aged 42.

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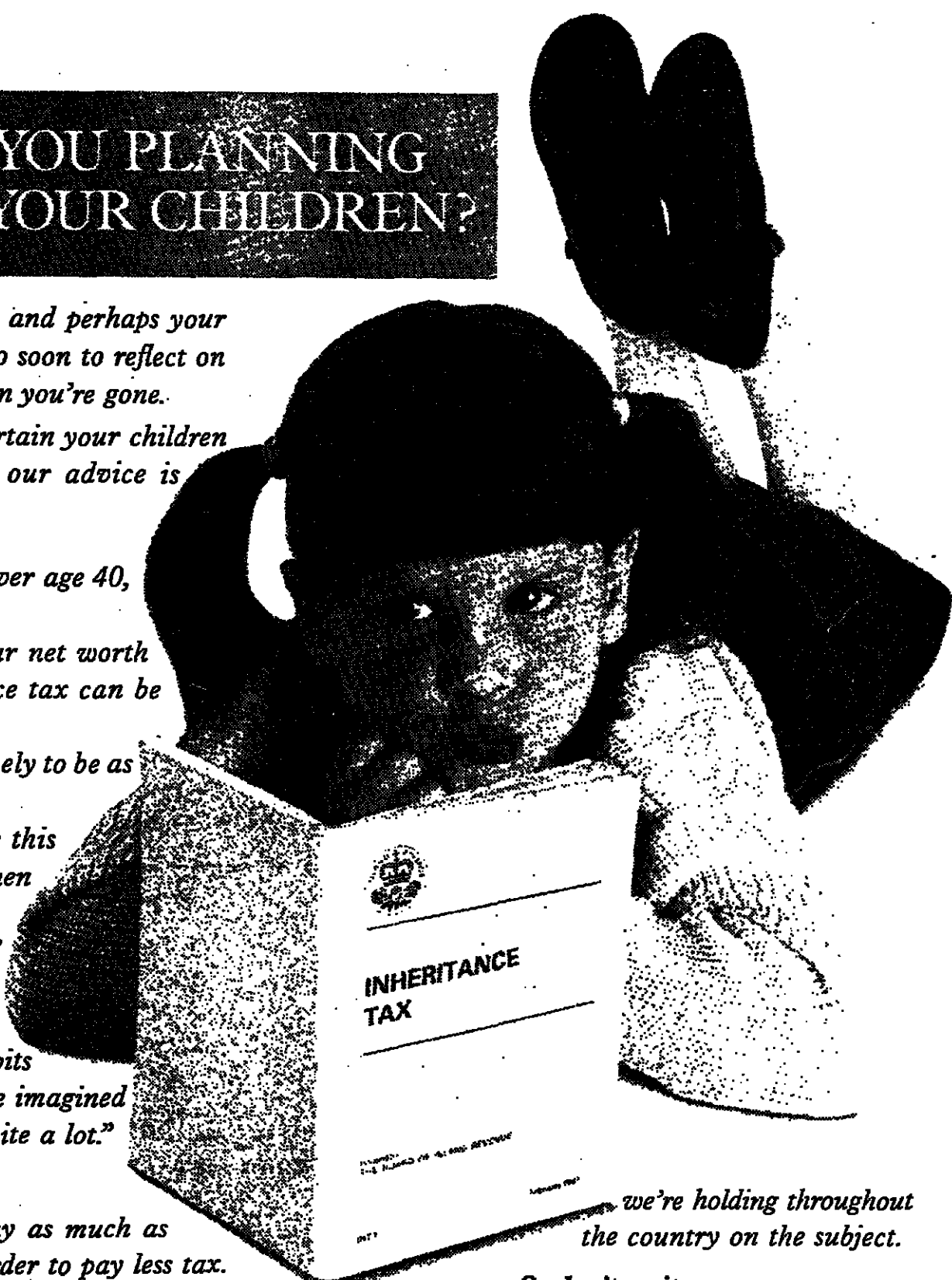
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## Violence in Tibet

## Six feared dead as protesters set fire to police station

From Robert Grievs, Peking

Six people were feared to have died when 2,000 Tibetans stoned police in Lhasa and set a police station on fire during the second demonstration in a week.

The violence came after eight Tibetan Buddhist monks were detained for demonstrating in support of Tibetan independence, according to reports yesterday from Chengdu in the neighbouring Sichuan province.

Agencies quoted American, Australian and French witnesses as saying that after the monks were taken into custody in the morning, a crowd set fire to a nearby police station and attacked fire engines sent to put out the blaze. It was said that order was not restored in the city, the capital of China's Tibetan autonomous region, until late in the afternoon.

Chinese sources said that there could have been as many as six deaths in the disturbances. There are reports of two people wounded by gunfire and a Tibetan boy is said to have been killed.

The demonstration on Thursday was the second in Lhasa in five days. Last Sunday, a group of 26 Tibetan Buddhist priests fought police

during a demonstration for Tibetan independence that was reportedly witnessed by 10,000 people.

Sunday's incident, which included the parading of a flag of the "snow mountains and lions", a Tibetan religious symbol, was reported by the

Delhi — Comments made in the United States by the Dalai Lama have embarrassed India. Delhi's main worry is the effect they may have on the border talks it is resuming with Peking next month (Kuldeep Nayar writes).

So far, there has been very little progress in the talks but recent statements made by China have given India hopes for a breakthrough. The Dalai Lama's remarks have reportedly cast a shadow on the talks because Peking's reaction to them has been sharp.

official New China News Agency in a rare Government admission of friction between Tibetans and Han Chinese.

China's People's Liberation Army occupied Tibet in 1950. In 1959, an abortive Tibetan uprising resulted in the flight of the Dalai Lama, Tibet's God-king, to northern India. Since then more than

100,000 Tibetans have fled to India, where the Dalai Lama has set up a government in exile.

Tibet is now a particularly sensitive subject for Peking because of a United States House of Representatives amendment condemning human rights violations there, because of an Amnesty International report on the same subject, and because of the Dalai Lama's current visit to the United States.

While in the United States, the Dalai Lama, aged 52, has been promoting the cause of Tibetan independence.

China has called the Congressional amendment a "gross interference" in its internal affairs. But in an effort to soothe the bruised sensitivities of the Tibetans, the Han Chinese-dominated local legislature adopted new regulations in July making the ability to speak and write Tibetan mandatory for all government officials in Tibet by July next year.

Since the early 1950s, sporadic instances of Tibetan resistance to Chinese authority have occurred, although the Dalai Lama disbanded a guerrilla group inside the country in the mid-1960s.

## Gunman killed after seven-hour siege



Armed police using teargas storming a house in Peoria, Illinois, to end a seven-hour siege by a gunman who had earlier killed his wife and a deputy sheriff while resisting arrest. The policeman seen pulling open the door was shot by the gunman. Stephen Thomas, seconds later. Thomas was killed in the ensuing gunfire. The policeman's condition was said to be good.

## Thai anger over Japanese 'slight' to prince

From Neil Kelly, Bangkok

Thai newspapers have accused Japan of insulting the Thai Crown Prince during his recent visit to the country.

The biggest-selling newspaper, *Thai Rath*, said: "We wonder how we can stand the Japanese. How could we have got along with them for 100 years?"

Crown Prince Vajiralongkorn, aged 35, who went to Japan for the centenary cel-

ebrations of relations between the two countries, cut short his visit last week and came home two days early.

The Thai Foreign Ministry did not comment on newspaper reports of "unfavourable incidents" involving the Crown Prince, but said that he completed his official programme in Japan and returned early because of pressing duties in Thailand.

Another newspaper com-

ment suggested that the manner in which the Japanese hosts treated the Crown Prince was a blow to Thai-Japanese relations.

The newspapers said that the worst of the incidents occurred when the Crown Prince was being driven to a temple. During the journey his Japanese driver suddenly stopped the car and relieved himself at the roadside.

There are complaints, too, that after his formal calls on the Japanese royal family had

been completed, the Crown Prince's official car was downgraded from a special limousine to a standard model.

At a ceremony in which the Crown Prince unveiled a statue his staff were upset because he had to bend to pick up the unveiling cord from the ground.

One newspaper urged the Thai people to boycott Japanese products as a protest against the Crown Prince's treatment.

## Yugoslav scandal nets top family

Belgrade (Reuters) — A nephew of Yugoslavia's disgraced former vice-president has been arrested and charged with stealing public property in connection with the country's biggest financial scandal.

Malik Pozderac, aged 38, is the former head of turkey farm operations at Agrokommers, the state agro-industrial firm which earlier this year issued up to £524 million false promissory notes.

Mr Hamdija Pozderac was forced to resign as vice-president after allegations that he was involved in the affair.

He and his brother, Mr Haskija Pozderac, also a senior politician, were named by Agrokommers' jailed director, Mr Fikret Abdic, as backers of the company's business strategy.

Dozens of officials have been arrested or dismissed in the Bosnian district of Velika Kladusa, site of the firm's headquarters.

## Tourist boom for Spain

Madrid (Reuters) — A record 35.7 million tourists visited Spain in the first eight months of this year, 7.5 per cent up over the same period in 1986.

They spent £5 billion in the first seven months, 19.9 per cent more in real value than in the same period last year.

## Sick Emperor

Tokyo (Reuters) — Emperor Hirohito, aged 86, who underwent intestinal surgery last week, has developed a slight fever, but a spokesman for the Imperial Palace said that there were no fears of further complications.

## Lecturer held

Hiroshima (AFP) — Japanese police have charged Hiroshi Suenitsu, a 44-year-old physics lecturer, with murdering Professor Tetsuhiko Okamoto, head of the Hiroshima University's General Science Department and an expert in superconductivity, who refused him promotion.

## Jury rests

Hong Kong (Reuters) — Six Hong Kong businessmen were jailed for conspiring to defraud shareholders but the lawyer for one said he would appeal because jurors frequently fell asleep during the 130-day trial.

## Fiji Governor-General defies Rabuka by meeting council of advisers

From Stephen Taylor Suva

Standing by his position as the only legitimate source of authority in Fiji, Ratu Sir Penaia Ganilau, the Governor-General, yesterday held an unexpected meeting with his council of advisers.

The council, an interim Cabinet formed soon after the military coup in May, had not met since last week's coup.

No details emerged of the meeting, which was held at Government House, Ratu Ganilau's residence, under the eyes of the illegal military regime which, on Thursday, claimed to have dismissed him and abrogated the Constitution.

But in the build-up to Ratu Ganilau's crucial meeting on Monday with Lieutenant-Colonel Sitiveni Rabuka, self-styled head of

Government, it was another assertion by the Governor-General that he remained in charge.

Once again, this position was underlined by Sir Timoci Tavaga, the Chief Justice, who said yesterday that Ratu Ganilau would continue to hold office "for as long as Her Majesty the Queen wishes him to do so".

Meanwhile, the extremist Tankei Movement, the mainspring of the coup, issued a statement attacking Sir Geoffrey Howe, the Foreign Secretary, and foreign diplomatic missions here, which it accused of "pushing wheelbarrows containing their own values, which they want to impose on the Fijians".

In reply to Sir Geoffrey's statement about "tragic damage" being done to Fiji, the Tankei said that

once a solution was reached, "foreign missions may make up their minds whether they will co-operate with the new republic or leave". Britain was trying to enforce Western values and was violating the principle of no foreign intervention.

"Perhaps Sir Geoffrey might like to explain what tragic damage has been inflicted upon the white population of Zimbabwe, whose reserved seats in that country's Parliament have recently been abolished without a single member from the British Parliament," the Tankei said.

In other developments, the military regime retaliated against what it regards as hostile press coverage. Mr Jim Carney, publisher of the *Fiji Sun*, which has ceased publication as a result of the coup, is being deported to New Zealand.

Action was also taken against two correspondents of *The Australian*, Mr Nicholas Rothwell and Mr David McNicol, who were detained at military headquarters for nine hours and told they would have to leave Fiji today. The army objected to a report by them of divisions within the ranks.

Despite these reprisals, the military has released in the past 24 hours the last of the prominent detainees it has been holding. These were Mr Peter Thomson, private secretary to Ratu Ganilau, Mr Richard Naidu, press spokesman for Dr Timoci Bavada, the deposed Prime Minister, and Mr Robert Keith-Reid, a magazine publisher.

The bizarre conduct of the military, which has been a characteristic of the crisis, was demonstrated again in the release

of Mr Thomson and Mr Keith-Reid. Having been held for days in cramped punishment cells at the Queen Elizabeth Barracks, they were taken up to the officers' mess and wined and dined with Colonel Rabuka and senior officers.

The coup leader had another engagement yesterday — a passing-out parade for 670 new recruits in what, despite the republic proposal, is still styled the Royal Fiji Military Forces. In a colourful ceremony, the recruits paraded past Colonel Rabuka before changing into traditional dress for a ceremonial dance with spears and shields.


Other economic concerns triggered a new wave of jitters. In mid-afternoon, the military ordered suspension of foreign currency trading, but this was lifted within an hour after the intervention of Mr

Savenaca Siwatibani, the governor of the Reserve Bank.

For all the bravado of the Tankei, Ratu Ganilau's meeting with his council underscored that Colonel Rabuka has been unable to come up with a rival council of ministers to serve his interim military government gazetted on Thursday.

When he was asked about this at a news conference, Colonel Rabuka said he was "still in the process" of forming a council and denied he was having difficulty finding qualified and respected men to serve on it.

He said he had been "saddened" by the Queen's criticism of his action. "We respect and honour Her Majesty. But if our Commonwealth membership is revoked because we are trying to resolve our problems our own way then, sadly, so be it."



# FASHION

## FROM BALMORAL TO BARCELONA


**ARTS & LEISURE**

**NORMAN'S CONQUEST:**  
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Part 3 of Robert Lacey's royal biography

**LOOK**

**PURIFICACIÓN GARCIA:**  
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*the man who's made Paris couture pull its frocks up*



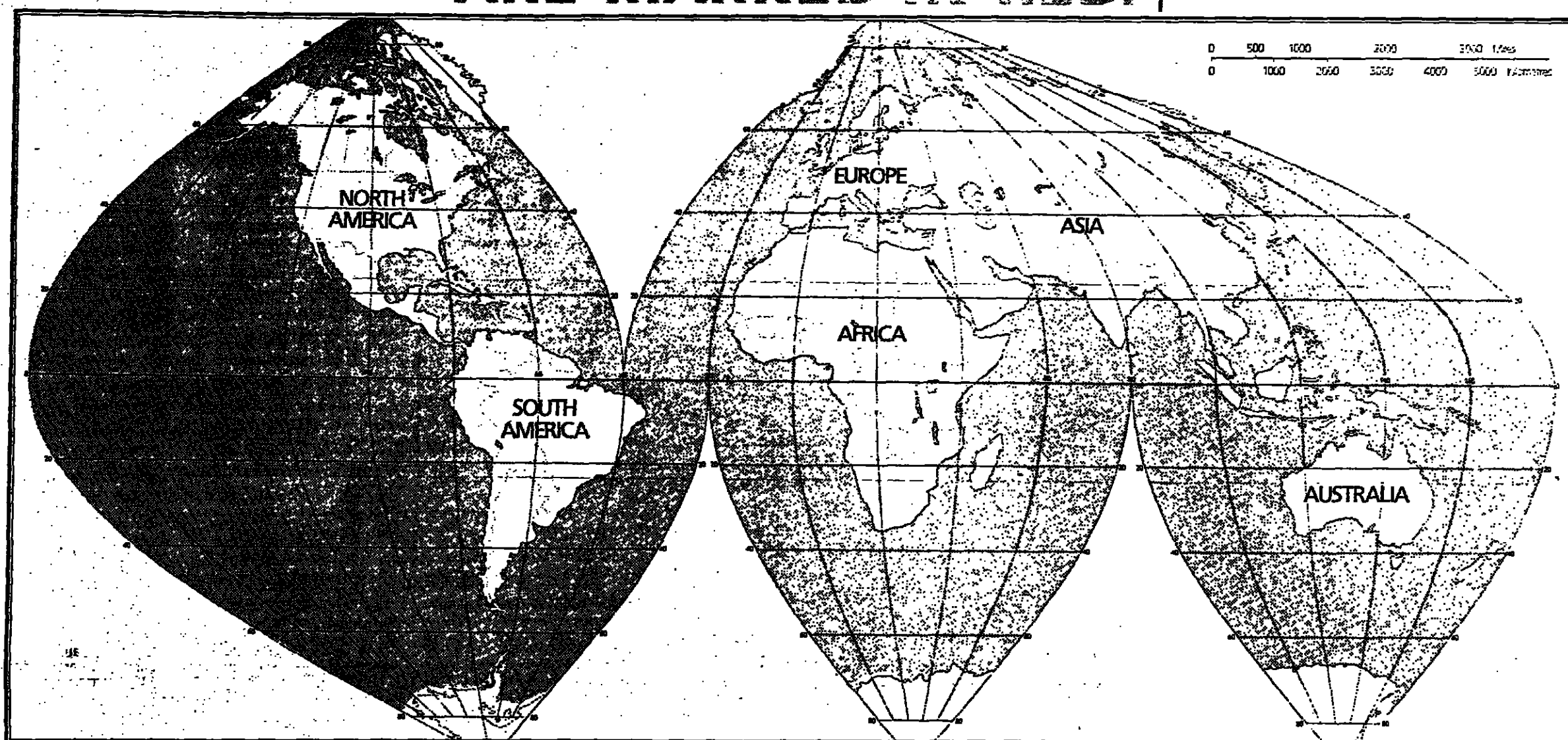
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## SPORTING DIARY

Simon Barnes

### Last line of defence

Players can do well even when the team loses, but for the manager every defeat is a horror, and one that could cost him his job. So it's not surprising that a goodly bunch turned up at White Hart Lane for a one-day seminar entitled "Stress in Management". Among other things they were taught techniques of relaxation and how to turn negatives into positives, and they underwent hypnosis. The whole subject is so chuckle-worthy that the nine managers who took part were sworn to secrecy about each other's identities, but Bill Williams, manager of Maidstone United and the only man there from outside the Football League, was among their number. "One of the biggest causes of stress is the media, which will be the reason for the secrecy," he said. "You could imagine what some newspapers would make of it if they found that a prominent manager was attending. The other eight people there were all from the League, and two were very well known. I've found it useful, because even at my level there's a lot of pressure. I'm sure it will have helped me to cope better with the job."

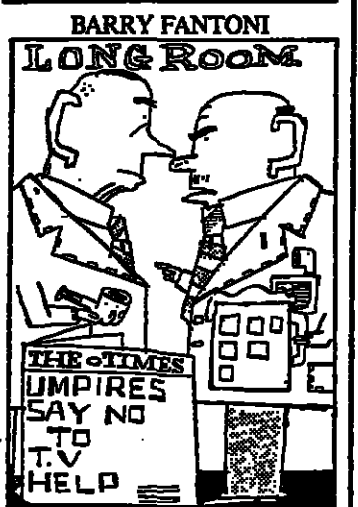
### Second cup?

The Brazilian football confederation has got itself into such terrible financial trouble that it is considering putting the Jules Rimet Trophy up for sale. You will recall that it was given the trophy in perpetuity after Brazil's third World Cup victory, which is why subsequent winners get that truly hideous substitute instead. Well, it's not the actual Rimet trophy that's being flogged off, the original having been stolen and never recovered, but a replica. The crisis has been occasioned by a \$40,000 debt to a printing firm, which had produced a booklet on the glories of Brazilian football.

● A speculative tip for tomorrow's Arc de Triomphe Tony Blin, 66-1 during the week. My racing scout recommends a modest 10 francs each way.

### Trumper ace

Cricketers freaks, those people prepared to spend their life savings on W.G. Grace's jockstrap, are in for further treats. Christie's South Kensington, who, remember, organized the MCC's bicentenary sale, are now going into the cricket biz on their own account. They plan to hold two sales a year, the first on Friday, with 465 cricket lots and 160 lots from other less manically collected sports. The items include a watch presented to Victor Trumper after he had scored six centuries in eight innings in Sydney grade cricket. Phillips, who led the way in cricketiana, have their own sale on October 21.



Barry Fantoni

### America's Yup

"There's already so much enthusiasm for our America's Cup plans that we've had to call a rapid halt to one of our promotions," said a gleeful chap called Valdemar Bandowski, who heads the Tuborg-sponsored Danish challenge for the trophy. Have you noticed how anyone who talks about the America's Cup talks about (a) money, (b) promotion, (c) brand name exposure? No one mentions yachting. This particular outburst was occasioned by the enthusiasm that sponsors had shown for a match race series to be called the Business Cup. Do these business people not realize that ordinary, uncommitted, un-wealthy people find that 12 metre yacht racing makes appalling television, and considered the last America's Cup the biggest non-event in the history of sport?

● From the symposium gymnast to the nursery school swimmer. I hear of a five-year-old Indian lad called Reethesh Jain who started swimming 200 yards a day when he was two and now puts in a mile. But he can't get official coaching—he's too young.

### Signing off

Baseball, a sport that arouses more interest in Britain every day, is not cricket. In cricket, you raise eyebrows at the umpire at your peril; in baseball you raise the roof as a matter of course. So it's a surprise to learn that swearing at the umpire can actually get you sent off: indeed, the newly published Channel 4 Book of Baseball informs me that baseball's only deaf-mute pitcher once got himself sent off for swearing at an umpire in sign language.

The harrowing scene at the Old Bailey, when a 10-year-old girl broke down while giving evidence in a sex case, is by no means unique; nor is its sequel, the collapse of the prosecution case. At present the rules of criminal evidence read like a child molester's charter, so the Home Secretary's plans to amend the laws governing child evidence are good news. Whether they will go far enough, however, remains to be seen. There is plenty of room for reform.

First, as the law now stands, a child too immature to understand the nature of an oath is allowed to give evidence unsworn, provided that he "understands the duty of speaking the truth". Yet long before they can understand abstract concepts like "duty" and "truth", small children can describe their attackers and say what happened, but the courts will not listen to them. Perhaps no sane legal system would convict on the word of a single tiny tot; but equally, no sane system would completely refuse to hear one if he is allegedly the victim of an offence.

Second, the child is required to testify in open court. What a genuinely assaulted child fears most is meeting the molester, but there he will be, perhaps only a few feet away. And the more guilty the defendant, the more likely the hapless child will be struck dumb with terror.

Third, there is the "rule against hearsay". This forbids a witness to repeat what another person said about an incident. In a child abuse case one would have thought it vital for the court to know exactly what the child said about the

## Child abuse: the first steps to justice

by John Spencer

incident as soon as it came to light. But the heavy rule usually means that no parent, doctor, police-woman or social worker may tell the court the child's initial statement; nor may the court see a video tape of an early interview.

Then there are the rules about corroboration. If the underlying idea is sound, the details are preposterous. For example, where a child gives evidence unsworn, he must be corroborated by something other than more unsworn child evidence. So if a defendant assaults two small children in identical circumstances — or one in the presence of another — the case is bound to fail unless there is other evidence. This is so no matter how credible each child's account, and even if there are not two small children but 20.

Lawyers sometimes defend these rules by saying it is better that ten guilty men should go free than that one innocent person should be convicted. But preventing the court hearing relevant information can sometimes harm the innocent defendant. In one

case, a white man accused of assaulting a three-year-old girl was not allowed to call evidence that she had told her mother her attacker was black.

Yesterday the Home Secretary said the government will move an amendment to abolish the rule that an unsworn child must be corroborated, and corroborated by something other than more unsworn evidence. The change would leave a jury free to convict on the evidence of young children alone, provided warnings were issued by the judge if the evidence seemed weak. This could be worrying. It would be a sensible safeguard if the judge was given not merely a duty to warn, but a duty to direct an acquittal if he thought, on the whole of the evidence, that a conviction would be unsafe.

On hearsay, the Home Office is still thinking about the possibility of using videos of early interviews with children in criminal cases. To speed their thoughts, Baroness Faithfull and Lords Silkin, Edmund Davies and Meston have set

down an amendment for when the Criminal Justice Bill reaches the Lords later this month. (The bill already contains a proposal to allow children to give live evidence by closed circuit television.)

A worry which lawyers have about this sort of evidence is that the child may have been questioned so as to put words into his mouth. To take account of this, the peers' amendment would give the judge discretion to reject a video interview as evidence if he felt its prejudicial effect outweighed its probative value.

Lawyers also fear that videotape evidence would deprive the defendant of his right to cross-examine his accuser. To meet this, the amendment assumes that the child who is on tape would normally be available for questioning at the trial; but room is made for occasional exceptions — where, for example, the child is too ill to go to court or dead.

Even if all these amendments go through it will not be the end of the matter because there are other, broader issues. Could we go further and devise a satisfactory system so that, as in some countries, child witnesses are spared a court appearance altogether? Should we, as we now do, suppress the fact that the defendant has a record for paedophile offences? And what about the related question of children's evidence in civil cases?

Ultimately we need an official inquiry into the whole issue of children's evidence. But promise of one must not be allowed to hold up the useful reforms now actually within our grasp.

The author is lecturer in criminal law at Selwyn College, Cambridge.

After Brighton, Conor Cruise O'Brien looks into Labour's crystal ball

## Words made for eating



W. J. Lister

are sacrosanct and immutable. If, without first breaking that barrier, he had offered a comprehensive programme of policy revision, to the first party conference following the great defeat, that programme would almost certainly have been rejected. He can now have party policy revised, provided he can carry the union leadership along with him. And there are some very awkward choices ahead.

There is the problem of credibility attending any major policy review. "Forget what I told you last time and believe what I'm telling you this time" is not likely to be a convincing sales pitch on voters' doorsteps. The problem of trust is most acute in defence. Unilateralism is certainly a vote-loser. But dropping unilateralism could turn out to be an even worse vote-loser. Voters who give a high priority to defence as an election issue are not likely to trust Labour on that issue anyway, no matter what firm Labour's official policy may eventually take. "You know where you are with the Tories" will express their reaction.

So it looks as if Labour is on a loser on that one, irrespective of what it may eventually choose to do. Putting unilateralism into the party platform was a fearful mistake in the first place. But taking it out would not undo most of the consequences of the initial mistake, and would have further adverse consequences of its own.

Defence policy, whether changed or unchanged, must remain a heavy liability to Labour. But even if that inescapable

liability were not to exist, the remaining problems seem insuperable. The most basic is the structural one: as long as the have-nots are a minority in society, Labour looks doomed to be a minority party. Most voters are not altruists. Attracting the "have-littles", the moderately affluent members of what is loosely called "the working class", is going to be uphill work. Experience suggests that have-littles tend to trust have-haves rather than have-nots. In the matter of the conservation of the little they have.

Replying to the education debate on Wednesday, Roy Hattersley said that Labour in government would give first priority to the educational needs of the inner cities. This is a civilized and decent proposition, such as we expect from Mr. Hattersley. But how many voters, outside the inner cities, will agree with that priority?

Mr. Kinnock can hold his party together, give it confident leadership, and revive its flagging spirits. He will put up a splendid fight; he is young, vigorous, charming, adroit and appropriately hungry for power. But not even the most inspiring leadership can overcome the handicaps that have been mentioned.

Mr. Kinnock told his followers on Tuesday that Labour will never, never enter into a coalition. For that, of course, he got loud and prolonged applause from the conference floor. But if Mr. Kinnock gets lucky, in 1991, he will have to eat those words. The very best he can hope for, with any degree of realism at all, is a coalition situation.

Many things may happen in four years. The Tories may hit at their patch, and some of their voters may desert them, come 1991. But those voters are much more likely to go to the Liberals — or whatever they may be calling themselves by then — than to Labour. It seems just possible that there might be enough desertion to deprive the Tories of an overall majority. In that case, whatever Mr. Kinnock may say now, coalition will follow, according to the laws of human and political nature. He will then be prime minister in a Lib-Lab government: the kind of government that now appears as the only credible alternative to permanent Tory rule.

If that is the way things work out in 1991, Mr. Kinnock's opponents within the party will remind him sharply of that categorical anti-coalition commitment in the words he used on September 29, 1987. And I feel quite sure that, given that situation, the new prime minister will eat those words with the heartiest appetite in the world.

© Times Newspapers, 1987.

Robert Kilroy-Silk

## Bland leading the betrayed

Never did I dream that I would see the day when leaders of the Labour Party would elbow one another aside in an unseemly scuffle to be the most robust in denouncing socialism. Yet that is what has happened all this week. It has not been a pretty sight watching one after another run to the detested capitalist press, even into the paid columns of what they told us a few months ago were its most despicable parts, to confess that what was an immutable and eternal truth yesterday is today as wicked lie. Khursheed never did as much.

It has been a depressing spectacle, demoralizing for all those party workers expected to knock on doors on winter nights in search of elusive Labour votes. To tell them they are too stupid and unreliable to be entrusted with selecting a parliamentary candidate without the help of an easily-manipulated trade union caucus is one thing; it must have knocked the heart out of them to be then informed that everything they had been taught to believe in and fight for, was not worth a miserable crumpled canvass card.

Suddenly it's alright to own shares (though we're not yet sure if it's only permissible if held in the employee's company) and your own house, even a council one, even one in Marbella. It's OK to be rich, to pay less tax, and it's perfectly respectable to be a yuppie. Even efficiency, competition and private enterprise have a warm socialist arm around their fragile shoulders. Yesterday's devils are today's heroes.

What is amazing is that the leader of a serious political party aspiring to government should feel the need to say all this, to devote almost an entire hour of a major speech to it. That he and his acolytes should now concede that it's alright to be ambitious and to work for oneself and one's family, to want to be better off tomorrow as a result of work done today, and that he should then be treated like some latter-day Moses coming among us with revelations for our time, shows how inward looking, narrow and envy-motivated the party had become. It indicates too, how far it had lost touch with its own people. That is the real tragedy.

But making affluence and ambition fashionable again is one thing. It is altogether another for Labour's leaders to say that all the party's policies are up for review, "for grabs", as one of them put it. All of them, everything?

Don't they believe in anything any more? Apparently not, according to Neil Kinnock. And it will be years before they know what they do believe in. The party stands before us devoid of conviction — and, without substance. It knows nothing and stands for less. Indeed, it won't have any policies until all the little conspiratorial

committees have been established, not deliberated, consulted the polls, listened to the yuppies, and finally pronounced.

Presumably Labour will shut up shop and decamp to Marbella for the duration. It cannot seriously ask for support and votes, or even members, until it knows what's to be for sale — and at what price. Even then there will be doubts as to whether it can be trusted. If it can so easily jettison now what was articles of faith, so eloquently and passionately championed a few weeks ago, then how can it be trusted not to do the same in the future — perhaps, that time, after an election victory. To be candid, for that is the vogue, how can we be expected to put our faith in men who, as the shadow education secretary has confessed, say one thing in public and another in private? They are probably the same people who most vigorously denounced Beam in private while voting for him in the 1981 deputy leadership contest.

What the electorate wants to know is why we have had to wait until now to be told that they didn't believe in the policies they were asking us to vote for and to saddle the country with. Can we trust those who on their own testimony were deceiving us then? And still they do it. Almost every shadow spokesman has given the impression that he's not sure what he's supposed to be saying and doesn't believe half of it anyway. They are still afraid of hitting the wrong note. The activists, worried about the hit list, desecration or humiliation in the shadow cabinet or NEC elections. So we get a succession of Messrs Fudge and Mudge, followed by Messrs Twist and Turn.

This is not a proper role for the Labour Party. It is supposed to represent the interests of working people and their families, to articulate their grievances, press their demands, be a broad human movement on behalf of the underdog. It should have a clear and confident vision of a co-operative and egalitarian society. It is supposed to have a programme and a strategy for achieving it.

You can't expect the electorate to have confidence in a leader who says: "I'll lead you, boys. Don't know where yet, it's up for review, but I'll lead you. Tell me where you want to go and I'll change tack and take you there." That's called lacking conviction — though the unkind would call it opportunism. It won't work.

It hurts to have to say it but at least the Benns and the Skinners know what they want and are consistent. And while "the best lack all conviction" it's the ones "full of passionate intensity" that might just win.

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The author was a Merseyside Labour MP, 1974-86.

Peter Brimelow

## Lifting the veil on Woodward

New York. Macaulay in a famous phrase said that he knew of no spectacle so ridiculous as the British public in one of its periodic fits of morality. But he never had to listen to the American media.

"New Book on the CIA Stirs Questions of Ethics," said a *New York Times* headline this week over a story about *Veil*, a work about the CIA's "secret wars" since 1981 by *Washington Post* journalist Bob Woodward, of Watergate fame. The ethical questions being stirred, however, were not about spying and skullduggery, instead they centred on whether Woodward should have saved for his book what he claims to have discovered about various CIA operations, in particular his assertion that its director, William Casey, dying in hospital, confirmed with a nod that he knew that money from the Iranian arms sales had been diverted to help the Nicaraguan Contras.

"The right to publish also implies a responsibility to let the public know important news without delay," intoned *New York Times* columnist Flora Lewis. She also noted that Woodward reportedly allowed Democratic presidential contender Gary Hart to pretend that he was staying in Woodward's house while he was actually living with another woman — and that Woodward ultimately provided the *Washington Post* with the information with which it is said to have confronted Hart after the Donna Rice affair, forcing him to withdraw from the contest.

American conservatives have been complaining about Woodward's methods ever since his *Watergate* books, *All the President's Men* and *The Final Days*. For example, the watchdog organization Accuracy in Media published 36 instances in which Woodward's claim that everything in his account had been confirmed by two independent sources was contradicted by the only people who could have offered such confirmation.

Perhaps they were wrong: on the other hand, perhaps Woodward was extrapolating from what he could not prove. These observers were not surprised when Woodward later turned out to be the editor responsible for the young *Washington Post* writer who won a Pulitzer Prize for a story on a child, heroin addict whose existence she had fabricated. Significantly, she said the child was "a

composite" — in other words, an extrapolation.

This is not to say that Woodward's books don't contain much solid reporting. In fact, they inadvertently reveal much that is potentially embarrassing to the liberals to whom he has long been a hero. In *All the President's Men*, he reported a case where the *Washington Post* continued to maintain its version of secret grand jury testimony even after learning it to be false, rather than concede a point to the Nixon White House. In his book about the Supreme Court, *The Brethren*, he recounted in devastating detail how many of the judges and the young law clerks who really write their decisions automatically assume that their job is to exact a particular political agenda, regardless of the actual law at issue. It is because Judge Bork posed a threat to this cosy arrangement that his nomination to the Supreme Court is opposed so furiously.

Indeed, it is Woodward's blind reporting that raises the real ethical issues. He is so explicit about CIA sources it is impossible to believe that interested parties could not identify them.

It is equally impossible not to be chilled by the extent to which America has become what Richard Nixon once described as "a pitiful helpless giant". For despite Woodward's title, there were no "secret wars" — even the Contra effort was understood, and undermined, in Congress. Nicaragua remained firmly in the Sandinistas' grip, with Casey taking pathetic pleasure in getting the CIA's reluctant bureaucracy to mount a few coastal raids.

The most dramatic charge in *Veil* is that Casey tried to assassinate the Lebanese terrorist responsible for bombing the US Embassy and Marine barracks in Beirut (the attempt misfired, and 30 civilians were killed). Even that had to be done at arm's length through the Saudis and assorted foreign entrepreneurs, including a British SAS veteran.

None of this matters in the hothouse world of the American media. Apart from jealousy, their complaint boils down to the fact that Woodward has damaged the news. After all, if the public realizes that news can be managed, it might ask awkward questions about the Iran-Contra uproar — and for that matter the sacred Watergate myth itself.

The author is a senior editor with *Forbes Magazine*.

## Will glasnost pin the blame for Katyn?

Warsaw. Sobieski relieving Vienna, Poniatowski dying for Napoleon; few people take their military history as seriously as the Poles. What Henry did once for those eager to relive Pilsney with Clive or Trafalgar with Nelson, the Polish Army Museum does every Sunday.

If military museums in Europe tend to have a tomb-like hush — when was the dust on the shako at Chelsea last disturbed? — the Warsaw museum at the weekend has more visitors than any gallery in the city.

Here the youngest of Poles, barely able to prattle, watch with rapt attention as a proud parent explains the details of feathered armour terrorizing the Turks; dashing lancers overrunning the Spaniards.

As elsewhere in Poland, such history is an important card in the authorities' hands. General Jaruzelski played it subtly within weeks of declaring martial law when he gave the guard of honour at the centre of the city a version of the traditional Polish *czapka* hat in place of their usual steel helmets. There could be no more

convincing visual reminder to the gathering crowds that the troops they saw were Polish.

In the museum, the card is played less subtly. From the equestrian romance of the Napoleonic wars, one moves suddenly into the dull green uniforms of the 1980s' people's army of Hungary. Without pausing to tell us what happened after 1939, we are abruptly confronted with "parade uniforms of Poland's Warsaw Pact allies".

No mention is made of Poland's victorious war against the Soviet Union in 1920; in the rooms devoted to the Second World War there is nothing to suggest that in 1939 Poland was invaded by the Russians as well as the Germans as a result of the Ribbentrop-Molotov Pact.

Such gaps in Polish history have in recent months begun to be discussed officially by the media. Earlier this summer, a joint Polish-Soviet commission on the history of relations between the two countries was established to address itself to "blank spots".

The weekly magazine *Polityka* recently published a long article

on the Ribbentrop-Molotov Pact, while a party ideologue, Ludwik Kraskusi, astounded TV audiences throughout the country when he passionately referred to a history documentary to "the tragedy of Katyn".

Though he said no more about the forest in which thousands of Polish officers were found dead in 1943, their hands tied behind their backs and a bullet in the head, a signal had been sent. Katyn, for so long the symbol of countless unrecorded atrocities committed by the Soviet Union against the Poles, was also now on the agenda.

Kraskusi himself believes that a dramatic adjustment of the standard Soviet interpretation which places the blame for Katyn firmly on the Nazis is imminent. "It's now or never," he told me — though emphasizing that the decision rests with Moscow. "It is there that the material which can explain Katyn resides."

Kraskusi hopes that one day some Warsaw streets, like Traifalgar Square and Waterloo station in London, will commemorate victories that "one nation gained over her neighbour".

Katyn is not the only stumbling block. Stalin's failure to assist the Warsaw uprising, which ruthlessly put down by the Germans in 1944, is another controversial "blank spot". Kraskusi is, predictably, less sanguine about the success of any "reinterpretation" of that tragic chapter.

"The uprising was a protest against the agreement at Yalta and a hard lesson for Poles who realized through this tragedy that there is no place for feelings in politics. They learnt that we must do things the cold way — the British way."

Such advice is unlikely to impress those whose relatives were among the tens of thousands killed in the uprising but it is an indication of Moscow's confidence in the stability of General Jaruzelski's Poland that the commission is addressing itself to these "blank spots".

After it reports next month, there may well be some additions to the dashing exhibits now arranged in Warsaw's Military Museum.

Richard Bassett

صلى الله عليه وسلم





1 Pennington Street, London, E1 9XN Telephone: 01-481-4100

## PAY AS YOU LEARN

"No fees shall be charged in respect of the education provided in any (maintained) school or college." Thus the 1944 Education Act. But what is education? A piano lesson? In which case, who pays for the teacher? A trip to the zoo on the last day of term? Who pays for the bus and the entry ticket? Baking a rock cake in home economics? Who buys the ingredients? An A-level geography visit to a residential field study centre? Who pays for the board and lodging?

The answers to these questions lie in a grey area that has been growing steadily greyer and wider. Most local authorities, Conservative and Labour, have adopted the simple expedient of charging the parents—who are now estimated to be paying £30 million a year, mostly for school visits and field trips.

But objections have inevitably been raised. The first was in 1981. A father went to the High Court to ask if Hereford and Worcester was entitled to charge for instrumental music tuition provided during normal school hours. Mr Justice Forbes said no. Hereford and Worcester stopped providing it. In the past 18 months, the local ombudsman has ruled three times that parents should not have been charged for their children's residential field study courses. The authorities have been forced to refund the costs of tuition, transport, accommodation and subsistence.

So it is principally in response to local authority anxiety that the Government has now published its much delayed consultative paper on the circumstances in which charges may be imposed for school activities. But it is also clear that formally allowing schools to charge for extras, however defined, is closely in line with the Government's philosophy. In other words, not too much attention need be paid to the document's rather ingenious claim that its aim is to clarify the law. Its real purpose—and there is everything to be said for it—is to rewrite the law to bring it into line with existing and widespread practice.

The easiest position for critics to adopt, which is also the least satisfactory, is simply to declare that the spirit of the 1944 Act dictates that everything schools do should be free. The Association of Metropolitan Authorities recently asked its mostly Labour-controlled members what the consequences of that would

be. One outer London borough replied that it would have to find up to £200,000 a year for the consumable materials provided in craft and home economics classes. Another said it would have to find £450,000 a year just to pay for pupils' residential field experiences.

As the consultative document notes, many local authorities fear that their ability to offer pupils a range of desirable experiences would be severely reduced. They would, in short, have to follow Hereford and Worcester's lead and stop providing the services.

The alternative it proposes is to prescribe in general terms those things for which it would be unlawful to charge, thereby preserving the central core of the free education system to which the Government remains committed, and to list in the form of regulations, which could be added to from time to time, those agreed extras for which local authorities and schools would be allowed to charge, although they would not be required to do so. All charges, the document adds, would be waived where they were likely to cause hardship. They would be specifically waived for families receiving income support and family credit.

What happens next is likely to sound very like a repeat of all the battles that have been fought over introducing charges for teeth and spectacles on the National Health Service. Mr Jack Straw's comment, that the proposals are the first step on the slippery slope to fee paying in state schools, is only the first volley of dogmatism.

All the evidence suggests that parents see nothing unreasonable in being asked to pay for educational activities that happen outside the school gate. Very few find any difficulty in distinguishing between that which is provided free in school for all and that which is charged as an optional extra. Hardly any cannot, in all conscience, afford the wood in a book shelf or provide the flour and the raisins for a rock cake.

There is an unhappy ambiguity about whether parents could be charged for something as basic as a textbook but that is probably no more than the consequence of a genuine exercise in consultation. The document asks a lot of questions and hopes for some coherent answers. They are urgently needed.

## MR GORBACHOV'S NAVY

The Soviet offer to open talks on naval cuts in Northern Europe has met with a cautious welcome in Oslo—and little reaction elsewhere. But this will not be the last that Nato has heard of it.

The proposal reflects growing Russian concern about American naval strategy during the past two years. The Soviet Navy suffers from a number of natural disadvantages, the chief one being its construction by a series of "choke points". Its Far East fleet in Vladivostok finds its entry to the Indian Ocean restricted by the Malacca Straits while the Baltic fleet—which has important ship repair yards—has to squeeze past Denmark and Sweden to reach the North Sea. The Black Sea fleet is contained by the Dardanelles while the large Northern fleet at Murmansk—the most important in Nato terms—passes to and from the Atlantic through what is known as the Greenland-Iceland-UK (GIUK) Gap.

It may well be asked why a largely self-contained land mass like the Soviet Union needs a big ocean-going navy. This question was, indeed, frequently and forcefully put in the 1970s, at a time of great Russian expansion under the legendary Fleet Admiral Sergei Gorbachov. If the Russians were going to have a so-called "blue-water" navy at all, however, it was arguable that they needed to have a big one—if only to combat these natural disadvantages.

Nato watched with alarm the appearance of one new class after another, including aircraft carriers, well-armed surface escorts and large nuclear-powered missile-bearing submarines. As the protection of transatlantic sea lanes would be crucial to the defence of Western Europe in wartime, the threat posed by the Soviet Navy was an acute source of worry.

At a time of inflation and political wrangling in the West, together with the simultaneous obsolescence of whole classes of ships, admirals concentrated on controlling the choke points, monitoring the movement of Soviet submarines, for instance, through a phased array of sonars across the GIUK Gap. Meanwhile the Soviet Union tried not only to match Western navies but to contain them—for instance by proposing (unsuccessfully) a

series of comprehensive confidence-building measures (CBMs) for the Atlantic at the Stockholm talks which opened in early 1984.

In the last two years two things have changed. The US Navy, under the direction of its Secretary, Mr John Lehmann, has adopted a tougher, forward strategy in the North, pushing carrier task groups (including submarines) well up into the Norwegian Sea, from where they can threaten the Soviet military complex on the Kola peninsula. At the same time, the Russians, in trying to emulate Western navies, have found themselves faced with exactly the same problems—the simultaneous obsolescence of many of their ships, growing demands from their admirals, and rising costs.

One response by Moscow has been a partial switch in emphasis from the Northern fleet to the Pacific—a shift which has caused some rethinking in Washington too. But the overall perception of recent months has been that the Soviet Navy has been put on the defensive. And this has been at a time when Mr Gorbachov has shown the clearest signs of wanting to switch Russian resources away from his armed forces towards the development of civil industry.

It is in this light that one must understand his renewed interest in curbing naval activity in the North. Not only would this affect American forward-basing but it would inhibit any Washington plans to compensate for the withdrawal of land-based nuclear missiles from Europe by stationing cruise missile submarines in North European waters instead.

The Norwegians are among those Nato allies who have queried the American forward-basing on the grounds that it was provocative and unnecessary. This could explain why their reaction to Mr Gorbachov's proposal has been positive. Other allies might just see in it the chance of a *quid pro quo* in other areas—perhaps that of conventional land forces.

The suggestion as it stands, touching as it does upon Nato's whole maritime strategy (including the defence of northern Norway) ought not to be attractive to the West. It must be recognized, however, that it is likely often to be repeated.

## FOURTH LEADER

There is a restaurant in West Germany which has hit upon an ingenious wheeze; after ordering, the diner is provided with a stop-watch, and if the first course has not appeared after a quarter of an hour, the entire meal is on the house.

Ah, those Germans, those Germans, where will *Vorsprung durch Technik* take them next? Is there to be nothing in the world save efficiency timed with a stop-watch? Are they all in such a hurry to improve their exports that they must give new meaning to the term fast-food restaurant? Let them learn from the British, whose famous patience is daily reinforced at restaurant tables while the staff in the kitchen complete their football pools and debate the rival merits of the Misses Samantha Fox and Suzanne Mizzi.

Nor is it easy to see what the restaurant hopes to gain from the system; some would say it is on a hiding to nothing, for there is no stipulation in the rules to indicate that if the waiters (who are presumably all on roller-skates) beat the deadline by an ample margin, the price of the meal is increased.

Moreover, it is rather curious that the double-or-quits principle applies only to the first course; if the *Gulaschsuppe* meets the challenge, the patron, it seems, can whistle for his *Schweinshaxe*. And then, suppose that

some ingenious group of free-loaders should fall into the habit of regularly visiting this restaurant (which is no doubt called *The Flying German*) and ordering for a first course, with straight faces, cheese soufflés all round; you can't run up a soufflé in less than a quarter of an hour, and bang go the profits.

There is also much scope for unseemly behaviour. It cannot be long, for instance, before customers are laying huge bets on particularly fleet-footed waiters, with the management's stop-watches as arbiters, whereupon dreadful quarrels are bound to ensue, with claims that those who order chilled soup are enjoying an unfair advantage over those who prefer hot; a two-length start will be demanded, followed by weights for a runner carrying a mere prawn cocktail in competition with one staggering under the burden of a massive hors d'oeuvres tray.

On the whole, it is unlikely that the idea will catch on in this country. As for the Germans' neighbours across the Rhine, if they ever get to hear about this development they will greet it with a mixture of amazement and hilarity. It was the French, after all, who coined the maxim *Pour manger bien, il faut savoir attendre*, which is the French for "We have no stop-watches, and no indigestion either."

## Concern over hallmark fines

From the Chairman of the British Hallmarking Council

Sir, As chairman of this council, an institution that represents probably the oldest form of consumer protection, I am deeply concerned about the level of fines imposed for offences committed under the Hallmarking Act.

In two recent cases, quite separate, concerning the sale of items described as gold, the fines were not only low but disproportionate to the offence.

The first case concerned the sale of gold-plated base-metal car studs, described as 9 carat gold. A fine of £20 was imposed. The second, related to base-metal earrings, which were also described as 9 carat gold-plated, resulted in a fine of £160.

The responsibility for the enforcement of the hallmarking law rests with the trading standards officers and with the assay offices in the United Kingdom. The British Hallmarking Council, which was constituted under the 1973 Hallmarking Act, has the duty of ensuring the enforcement of the law with respect to hallmarking.

Pure gold and silver are soft metals and are always alloyed with copper and other base metals in order to make them harder and suitable for manufacturing. The necessary adulteration of the precious metals provides the criminal with an opportunity for easy fraud.

For centuries the UK has enjoyed the protection of a system for compulsory hallmarking. However, the current low level and wide differences in fines could well threaten the stability of this long-established form of consumer protection. It is, therefore, extremely important that as an issue this matter should be reviewed by those concerned as soon as possible.

Yours faithfully,  
CHARLES K. MURRAY,  
Chairman,  
British Hallmarking Council,  
31 Philipps House, St Philips Place,  
Birmingham, West Midlands.

## Beating the drum

From Commodore N. I. C. Kettlewell, RN

Sir, On August 1, 1933, your newspaper reported the first Armada Night Dinner to be held in this establishment. My predecessor, Rear-Admiral J. M. Phipps, drew a parallel with Portsmouth and subsequently proposed a change of name for the Royal Naval Barracks.

Admiralty letter MF 9015/33, dated December 14, 1933, reads: "I am sure you will be pleased to approve of HMS VIVID being renamed HMS DRAKE by Command of their Lordships, etc."

Sir Francis Drake's sword was placed in the wardroom on July 30, 1934. It, together with other artefacts, will be on view to the public during "Armada 400" in July 1988, here in Plymouth. Or shall we by then have been renamed again?

I have the honour to be, Sir, your obedient servant,  
N. I. C. KETTLEWELL,  
Drake House, HMS Drake,  
Devonport, Plymouth, Devon.

## Theatre proposal

From Ms Victoria Charlton and Mr P. J. Brightman

Sir, Sir James Richards (September 26) is quite correct in his recollection that the Festival of Britain site in Battersea Park was to be restored to parkland after the festival closed. In the proposals for a winter garden and theatre which it has submitted for planning permission, the Eastminster Corporation intends to do exactly this, thereby restoring to the park the central carriageways flanked by open lawns which formed part of the original Victorian design.

We would also point out that our proposal neither needs to increase nor has any intention of increasing parking levels in the park. Some relocation is all that may be necessary.

We believe that inner-city parks

## Case for UN force in the Gulf

From Professor Alan M. James

Sir, Some, not least the Prime Minister, are currently pouring a lot of cold water on the idea that a UN force be established in the Gulf. Their reasoning seems to be that such an enterprise is bound to be ineffective and would also be superfluous.

It is, however, up to the Security Council, and chiefly its five permanent members, to decide the mandate and the means which should be given to a UN force. It is true that the "peacekeeping" forces which have hitherto been established by the UN have generally been neither strong nor assertive. But that is because that kind of force has been deemed to be the most appropriate in the relevant circumstances.

In principle, there is no reason at all why a tougher type of force should not be set up. Indeed, the UN Charter expressly provides for it. And although Mr Mellor (Minister of State, Foreign and Commonwealth Office) may be unaware of it, Mrs Thatcher can surely not have forgotten that it was a UN force which successfully fought against aggression in Korea in the early 1950s—this force including a sizeable British contingent.

Of course, there are substantial problems attaching to the establishment of a powerful UN force, not least the matter of its command and control. It is not therefore, surprising that members of the Government prefer to think in terms of simply co-ordinating the activities of the naval forces already in the Gulf. But they should give further thought to the value of the UN alternative.

It could well be more efficient (the so-called Multinational Force in Beirut between 1982 and 1984 was hardly an advertisement for the effective co-ordination of separately-controlled activities). It

would be widely seen as having greater legitimacy.

A UN force would benefit the image and hence the usefulness of that organization. And it might be no bad thing for the world's future if the major Powers had some experience of translating the convergence of their policies into joint action under UN auspices.

Yours faithfully,  
ALAN JAMES,  
University of Keele, Department of International Relations,  
Keele, Staffordshire,  
September 26.

From the President of the General Council of British Shipping

Sir, Amid all the flurry of news from the Gulf, it is easy to take somewhat for granted the great importance and effectiveness of the work done by the Royal Navy and the Ministry of Defence in support of British merchant ships in that troubled area. Probably the best measure of this is the fact that, out of the many hundreds who follow their lawful occasions in the Gulf each year, not a single British ship has as yet been attacked, let alone lost, while accompanied by the Armilla Patrol.

The reason for this splendid result is not simply the high professionalism of our naval colleagues, but the effective and detailed daily co-operation which exists at sea between the Royal Navy and British merchant ships and at home between the Ministry of Defence and the General Council of British Shipping.

Granted that the two British navies have had several hundred years of practice in working together, and in tougher times than these, I nevertheless find it greatly reassuring that we can both still deliver the goods.

Yours sincerely,  
KERRY S. JOHNSTON,  
President, General Council of British Shipping,  
30-32 St Mary Axe, EC3,  
September 29.

## Access to books

From the Chairman of J. Whitaker & Sons Ltd

Sir, Sir Geoffrey Eton and I are both on the Library and Information Services Council, which has the job of advising the Minister for the Arts on his responsibility for the National Library Service. I do not often agree with Sir Geoffrey. It is an unexpected pleasure, therefore, to support much of what he writes (September 25) about the letter from the Director General of Bibliographic Services at the British Library (September 17).

Bibliographic Services has a cataloguing backlog in excess of 50,000 items. This is getting on for a year's work. Its list rate (the availability of cataloguing records at the time they are required by subscribers to its services, as monitored by the Bath Centre for Catalogue Research) has been in decline throughout the decade.

As the director general points out, this is more than anything else due to a flood of titles published in Britain. Bibliographic Services has had to demand of it a 30 per cent increase in throughput in the last seven years. Projections in *The Book-seller* indicate the need for a further increase in productivity of about 15 per cent by 1990.

should not be allowed to become period pieces, unable to satisfy the recreational demands of today. Battersea Park has already turned 20 per cent of its area to structured leisure activities which have required a building or specialist ground surface.

The proposal comes in response to London's dire need for a receiving theatre and the need for a permanent infrastructure in the park that will support the variety of events that take place every weekend throughout the summer. Much damage is caused to the park by the necessity to "bring in" from outside the facilities required by these events.

Yours faithfully,  
VICTORIA CHARLTON,  
PETER BRIGHTMAN,  
Directors,  
The Entertainment Corporation,  
9 Great Newport Street, WC2,  
September 29.

## Law of domicile

From Mr Michael Jacobs

Sir, I hold the Law Commissioners and their past work in the highest regard, but their recently published report and recommendations on the law of domicile are naive and lack that thread of basic legal practicality which we should expect from such a highly qualified and expert body.

The report, published jointly in September by the English and Scottish Law Commissions (Cm 200), does not follow their working paper (No 88) published last year. They have tried to oversimplify the concept of domicile, which is an important part of the law applicable to individuals, and to introduce new and untried elements into that concept. As a result, the commissioners are introducing new uncertainties into our law, which will undoubtedly lead to complex and expensive litigation, delays and unhappiness.

Reform of the present law, which is complex and rooted in a mass of judicial decisions, may be needed; but not any reform, and certainly not one which removes the support of some certainty and replaces it with a set of rules so brief, so vague and so unsupported by reason as that set out

This flood has risen in a time of reduced resources at the British Library and reductions in the book funds of its customers, so that it is squeezed by its masters and by its customers. BL does have a crisis on its hands. However, neither the radical proposals in its consultative paper nor Sir Geoffrey's equally radical alternative are the only ways forward.

Bibliographic Services could buy in (or even be given free of charge) catalogue entries created by the other great libraries of the country at Oxford, Cambridge and elsewhere, which are in receipt of free copies of all books, under the provisions of the Copyright Act. It could also take catalogue data from the Library of Congress and edit it for UK use. This last would bring cost savings and an increase in speed for the cataloguing of perhaps as many as one third of books published.

At a time when libraries are increasingly using electronic networks for the movement of information, Bibliographic Services should no longer see itself as a centre from which bibliographic records only flow outward; it can now be a kind of electronic data-switching centre.

Yours faithfully,  
DAVID WHITAKER, Chairman,  
J. Whitaker & Sons Ltd,  
12 Dyott Street, WCI.

## Welsh without peers?

From Lord Chalfont

Sir, The letter from Norroy and Ulster King of Arms (September 30) is an interesting example of how a mistake can easily become a myth. The proposed sculpture of the Princess of Wales by Mr Robert Thomas has not been commissioned by peers of Welsh or any other nationality.

When Mr Thomas accepted a private commission for the work to be displayed in the St David's Hall, in Cardiff, I wrote to a number of colleagues in the House of Lords who are fortunate enough to have connections with Wales, by title, residence, birth or political association, asking them if they would join me in contributing towards the cost. At no time in the correspondence has the expression "Welsh peer" been used.

Your readers may like to know that the response has been generous; Mr Thomas has begun work on his commission; and it is hoped to present the finished bronze to the Cardiff authorities next year.

Yours sincerely,  
CHALFONT,  
House of Lords.

## Left right behind

From the Reverend Charles Taylor

Sir, Mr David Ealey (September 22) may care to be further confused by the fact that, living as we do on a spherical planet, if one travels far enough to one's left, one ends up on what was one's right. As with geography, so with politics. There is little difference, in practice, between living under a totalitarian regime of either the far left or the far right.

Fortunately, governments in the recent history of this country have been more pragmatic; and, on assuming power, the hard left has generally found it more expedient to become softer, the soft left broader, the broad left central, and the centre left right.

But, for all practical purposes, Mr Ealey need not let his confusion worry him. The only sort of left which is left at the present time is left out.

Yours faithfully,  
CHARLES TAYLOR,  
St Luke's Vicarage,  
Mildmay Street,  
Winchester, Hampshire.

## A European rugby team?

From Dr D. C. Barren

Sir, In view of the success of the European Ryder Cup team (incidentally, British and Irish plus four), is it not time to think of a European rugby touring team which would include the French, certainly, and possibly a Romanian or Italian player?

After all England, Ireland, Scotland and Wales are only provinces in Australian, New Zealand and (dare I say it?) South African terms. To add France, which plays in the five nations championship, though not, for an obvious arithmetical reason, in the triple crown competition, would seem just and reasonable. And it would make for wonderful rugby.

The possible addition of players from Romania, Italy and other European countries would be open to further discussion. But it might well encourage the spread of one of the finest games in the world, if not the finest.

They might not be called the Lions, though I do not see why not. The Eagles, though appropriate, might sound too imperial; again I do not see why not. After all, we Europeans had it as an emblem (filched from Asia) long before the USA. The Wolves or Bears might bring in more Eastern European countries. The Elks, with the implication of good rucking, might please the Scots and Irish, and, indeed the Welsh.

There is much scope for discussion here. But my proposal lies at least get the French in. Yours faithfully,  
D. C. BARRETT,  
Flat 3,  
19A St John's Wood High Street,  
NW8,  
September 29.

## ON THIS DAY

OCTOBER 3 1798

Many rumours of Nelson's movements in the Mediterranean, including one that Napoleon had been made prisoner, circulated before this confirmation of the destruction of the French fleet in the Battle of the Nile. Nine French ships of the line were captured and two burnt; none of Nelson's ships was lost.

## ADMIRAL NELSON'S VICTORY

London Gazette Extraordinary.  
Admiralty Office, Oct. 2.

The Honorable Capt. Capel, of his Majesty's ship *Matine*, arrived this morning with dispatches from Rear-Admiral Horatio Nelson, K.B. to Evan Nepean, Esq. Secretary of the Admiralty, of which the following are copies.

SIR, Vainguard, Mouth of the Nile, Aug. 7.  
Herewith I have the honour to transmit you a copy of my letter to the Earl of St. Vincent, together with a line of battle of the English and French squadrons, also a list of Killed and Wounded. I have the pleasure to inform you that eight of our ships have already two-pullant yards across, and ready for any service; the others, with the prizes, will soon be ready for sea. . . .

I have the honour to be, &c.  
HORATIO NELSON.

P. S. The Island I have taken possession of, and brought off the two 13-inch mortars, all the brass guns, and destroyed the iron ones.

Evan Nepean, Esq.  
Vainguard, off the Mouth of the Nile, Aug. 3.

My Lord, Almighty God has blessed his Majesty's arms in the late battle, by a great victory over the Fleet of the Enemy, whom I attacked at sun-set on the 1st of August off the Mouth of the Nile. The Enemy were moored in a strong line of battle for defending the entrance of the Bay of Sheela, flanked by numerous gun-boats, four frigates, and a battery of guns and mortars on an island in their Van; but nothing could withstand the Squadron your Lordship did me the honour to place under my command. Their high state of discipline is well known to you, and with the judgment of the Captains, together with their valour, and that of the Officers and Men of every description, it was absolutely irresistible. . . .

The ships of the enemy, all but their two rear ships, are nearly dismasted; and those two, with two frigates, I am sorry to say, made their escape; nor was it, I assure you, in my power to prevent them. Captain Hood most handsomely endeavoured to do it, but I had no ship in a condition to support the *Zealous* and I was obliged to call her in.

The support and assistance I have received from Captain Berry cannot be sufficiently expressed. I was wounded in the head, and obliged to be carried off the deck, but the service suffered no loss by that event. Captain Berry was fully equal to the important service then going on. . . .

I have the honour to be, &c.  
HORATIO NELSON.







MR DOUGLAS CLEVERDON  
Radio producer and quality publisher

Mr Douglas Cleverdon, the radio producer and quality publisher, is shown in a black and white photograph. He is wearing a suit and tie, and has a serious expression. The photograph is positioned at the top left of the page, above the 'BIRTHS, MARRIAGES, DEATHS' section.

# PERSONAL COLUMNS

## BIRTHS, MARRIAGES, DEATHS

If there is any news, give him a call. If he is busy, give him a call. If he is busy, give him a call.

### BIRTHS

**ALLEN** - On September 16th to the wife of Mr. Allen, a son, James, born at 10.15 am. Mr. Allen is a member of the staff of the Ministry of Defence. Mrs. Allen is a member of the staff of the Ministry of Defence.

### MARRIAGES

**CLARK** - On September 28th, at St. Paul's Church, London, the marriage of Mr. Clark and Mrs. Clark. The bride is the daughter of Mr. Clark and Mrs. Clark. The groom is the son of Mr. Clark and Mrs. Clark.

### DEATHS

**CLARK** - On September 28th, at St. Paul's Church, London, the death of Mr. Clark. Mr. Clark was born on September 28th, 1910, and died on September 28th, 1987.

## ANNOUNCEMENTS

**HAROLD HOLT Ltd.**  
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We are pleased to announce that the first of the Quartet will be performed on Saturday, October 3, 1987, at 8.00 pm.

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Edited by Shona Crawford Poole

## TRAVEL

# Who needs New York?



There is more to Washington than the White House. In its cherry-lined streets, a culture, confidence and cuisine have developed that can challenge the Big Apple. Michael Binyon offers a guided tour of a much maligned city

Washington is still one of the best-kept secrets in America. A cleaner, greener, more enjoyable city would be hard to find. But luckily for the inhabitants — who can still enjoy affordable housing and unclogged streets — the old clichés linger on. People still think of it as a slow-paced, provincial Southern city, racially segregated, abominably hot in summer, with a social scene that revolves around the only industry in town, politics.

Visitors are therefore all the more surprised to discover Rostropovich conducting at the Kennedy Centre, French restaurants with almost affordable prices, a sparkling new underground that has unified and galvanized the city, and a crime rate falling faster than most.

We residents try to keep this to ourselves. Georgetown — a quaint and increasingly chic old quarter of cobbled streets, individual shops, row houses and the remains of old tram lines — still has the at-

mosphere of Chelsea on the Potomac. You can still wander for miles along nature trails in Rock Creek Park and imagine that you are in the impenetrable unspoiled forests the early settlers knew. You can still stroll down residential streets, smelling the wood-smoke in winter and barbecues in summer. Nobody is too far away to visit. You can still park.

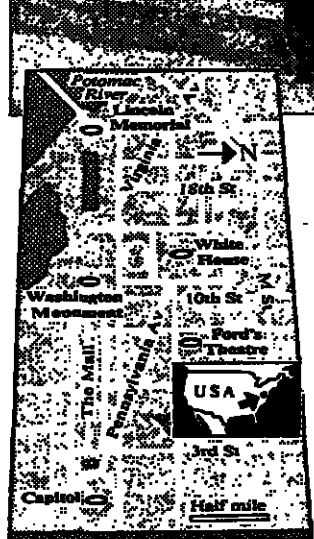
One of the loveliest places in Washington is the National Arboretum, an equivalent to Kew Gardens which not only houses exotic plants of all kinds but has the most dazzling springtime display of rhododendrons and azaleas — the Washington flower par excellence — anywhere in the city. It also has a national herb garden, Asian plants and the best collection of dwarf conifers in the world.

But the crowds thronging the Mall, the two-mile green strip linking the Capitol with the Lincoln Memorial, will almost certainly miss it, because the arboretum is in the heart of the black part of

Washington. Though much of the black area is sorry evidence of the huge income gap between the whites and the urban poor, the prosperous middle-class black community shows how this once segregated city is overcoming the racial tensions of the past.

The tourists along the Mall, of course, are not short of attractions. Along it are some of the finest museums in America: the Air and Space Museum, housing the cramped vehicle in which John Glenn orbited the earth; the Museum of American History, with every New World artefact from horse buggies to Hollywood; the National History Museum, with its live tarantulas; the National Gallery; the National Archives with its copy of the Magna Carta, the Smithsonian exhibitions...

Avoid the torpid summer, but do it all in the warm autumn or the fresh spring when the famous cherry trees are in blossom. And on the way take in that stark granite wall of names that still draws



crowds, tears and bitter memories, the Vietnam Memorial. Despite its new sophistication, Washington's fascination lies in its history. You can still get a glimpse of the former mosquito-infested swamp on Roosevelt Island, in the middle of the Potomac. To the

Sophisticated city: Pennsylvania Avenue, leading to the Capitol, set among cultural centres south, at Mount Vernon, you can visit the perfectly preserved home of George and Martha Washington. But it is the ghost of the Civil War, above all, that hangs over the capital, then an armed frontline fortress in a state of virtual siege. The battles raged all around, and their wonderfully preserved sites still inspire awe and dread: Fredericksburg, Antietam, Gettysburg.

They can be reached on a day's excursion. So can Harper's Ferry, the restored former federal arsenal in the mountains of West Virginia, where John Brown led an abortive uprising to free the slaves on the eve of the Civil War, and was hanged. The house of that great Southern general, Robert E. Lee, is just across the river, and his confiscated estate is now

set up his secret visit to China. Or you can cross the river, wander round the old quarter of the Scottish town of Alexandria and have a fine French meal at Le Refuge.

And when you begin to get homesick for an old-fashioned pub, go to Ebbitt's, just beside the White House, and ask for Samuel Adams — the only drinkable beer in America.

Children, of course, get bored by history. Washington's extensive (and free) zoo with its sadly unproductive pandas is always a wonderful diversion in any weather. So too is the Children's Museum, especially when it is raining.

Almost every ethnic cuisine can be found in the city. You can eat in the Yenching Palace, where Kissinger reputedly

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## Olympic lift-off

### TRAVEL NEWS

Nearly half of the hotel rooms in the Korean capital, Seoul, have already been reserved for next year's Olympic Games, which run from September 17 to October 2.

A number of airlines, including British Caledonian Airways, are due to start direct flights to Seoul before the Olympics and the Korean government is lifting restrictions on charter flights.

Ticket sales for the Olympics start this month and the official UK agent is London-based Sportsworld Travel (01-370 4515).

### Just the ticket

The cost of getting to Norway and Sweden is being cut this winter with the launch of charter flights by Scanscape Holidays (01-251 2500) from October 29. It will be operating twice-weekly flights from Gatwick to Oslo with return fares ranging between £29 and £129 and from Stansted to Stockholm and Gothenburg at between £29 and £149.

### Break out

Fancy a weekend break riding, ballooning, bird-watching, parachuting, fly-fishing or wine appreciation?

London-based Jollys (01-281 3641) have information on 250 different types of break available through more than 100 hotel groups and independent operators. The company makes all the booking arrangements for a flat rate £5 fee, regardless of the number of people travelling.

Philip Ray

# HOLIDAYS & VILLAS

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## OUT AND ABOUT

## Treasures in the twilight

**Nigel Andrew visits the austere Belton House in Lincolnshire, but discovers a wealth of beauty behind the blinds**

A word of warning: do not visit Belton House on an overcast day. This jewel of Restoration architecture needs good sunlight if it is to show all its facets to advantage. Especially as the National Trust, who own it, are keen on keeping the interiors sepulchral dim.

This is standard practice where old textiles, pictures and furniture have to be protected from direct sunlight. But at Belton it does seem to have been carried a bit far, with minimal interior lighting and holland blinds pulled down at the first sign of a break in the clouds. On a dull day, you can barely see the paintings in some rooms, let alone read the inscriptions.

A couple of miles outside Grantham (that underrated town) is where Belton stands, complete with its picturesque village. It is a grand symmetrical mansion, somewhat austere close to, with its rows of tall identical windows and lofty pediment. But from a distance, and especially in sunshine, it becomes much more domestic and human, with its warm, biscuit-coloured stone and its fanciful pergola rising above the roofline.

It is the product of enormous wealth, originally generated in Elizabethan times by the founder of the dynasty, Richard Brownlow, a highly successful lawyer (on a salary of £6,000). "Young" Sir John Brownlow built the house, and the architect was not Wren, as was once believed, but the gentleman-architect William Winde. The mis-attribution was natural enough, especially in view of the superb plasterwork and woodcarving inside.



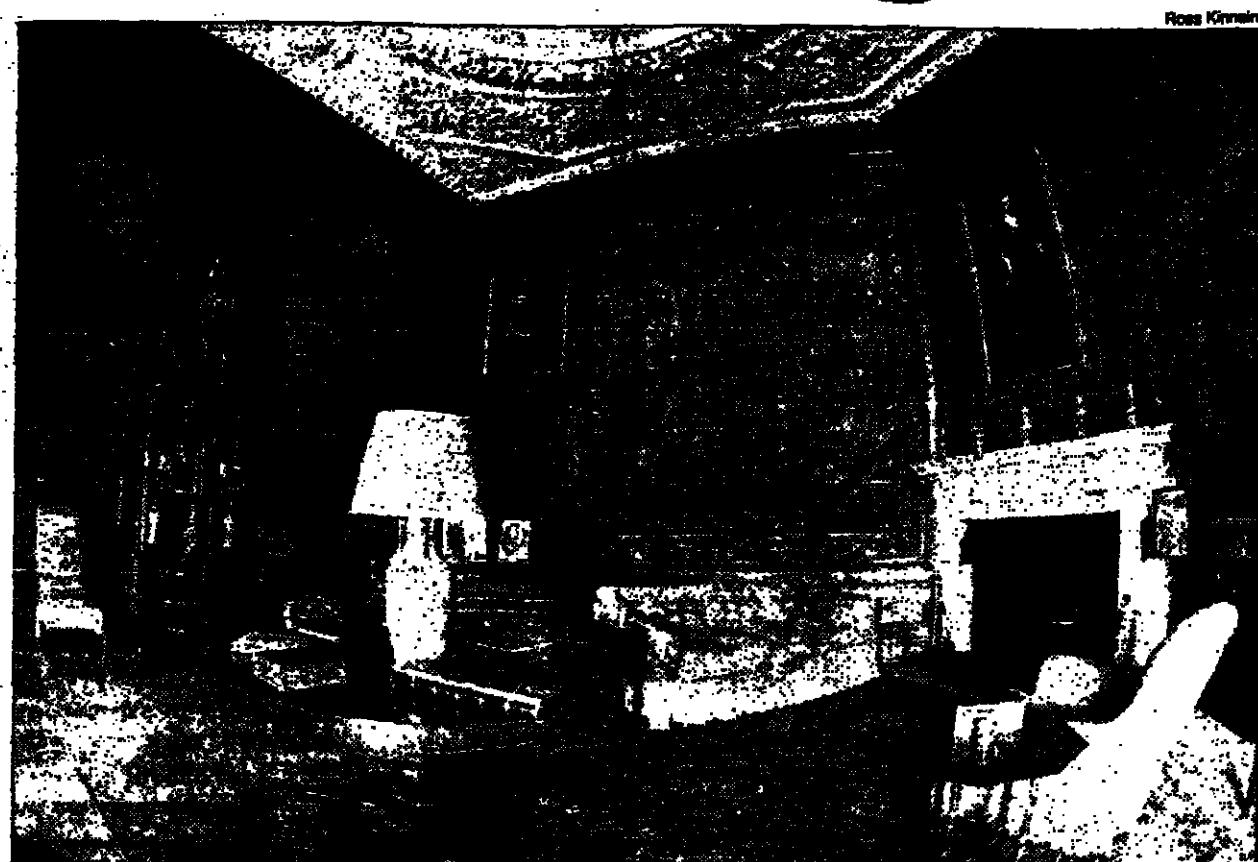
Splendours of the past: one of the fine monuments (above) in the gardens and (right) clocks, pictures, period furniture and ornate ceiling work in the formally perfect tapestry room.

The building date is 1685-8, but later money was poured into alterations and remodeling, in the late 18th century, and again in the late 19th century. The result is that the interiors form a compendium of three distinct phases in the history of country-house taste, though the original Restoration flavour is decidedly the strongest.

The superb woodcarvings are a great feature - intricate masses of minutely detailed fruit and foliage and dead fish and gamebirds. Not surpris-

ingly these were for years assumed to be by Grinling Gibbons, but it seems that most of them were in fact by the lesser-known Edmund Carpenter.

The elaborate baroque ceilings, by Edward Goudge, are at their most spectacular in the extraordinary (indoor) chapel, and the gallery in which the family sat in comfort to overlook the religious observances below. Two jovial putti perch dangerously at the top of a giant cherubs entirely pagan in design.



Up the very grand stairs, the rooms reflect every period of the house's history. The library, essentially Victorian now, is full of terribly ingenious Gillow furniture, including a heavily sprung exercise chair or "library horse", for those unable to take a ride on the real thing.

The Chinese bedroom is hung with lovely and exceptionally well preserved 18th-century Chinese wallpaper. This was the favourite room of Edward VIII, a close friend of the sixth Baron Brownlow,

who sprang to national prominence during the Abdication crisis. Downstairs is a room devoted to this connection, complete with fascinating contemporary newspaper cuttings.

I must admit I found the interior of Belton strangely lacking in life. Perhaps this had something to do with the classic National Trust treatment - thin strips of drugged skirting roped-off rooms, an abundance of prohibitive notices, guides posted every few yards. Some houses survive

this better than others: perhaps Belton is too formally perfect and uncluttered to withstand it. It is a house more easily wondered at than loved.

The grounds offer more immediate pleasures. As well as the vast park, there are two splendid formal gardens - one Italian and one Dutch - with a tall fountain and a fine orangery, a secluded, ancient little building, crammed with Brownlow monuments.

Belton House has a restaurant in the rather charming stable block - of the same period as the house, but by a far less sophisticated hand.

## OUTINGS

**FINCHCOCKS FESTIVAL CLOSING CONCERTS:** Today William Salaman on horns and Richard Burnett on piano in two family recitals. Home-made teas available. Finchcocks, Goudhurst, Kent (0580 211702). Today, 2.30pm and 4.30pm. Adult £3.50, child £2.50, book in advance.

**SCIENCE IS FUN SERIES:** Autumn series of events for families. Today, Harry Stoppes-Row takes a look at "God and Science". Museum of Science and Industry, Newhall Street, Birmingham. Today, 2.30pm. Free.

**CHILDREN'S CONCERT:** The Sinfonia of London in a programme of music for children. Howard Blake conducts. Johnny Morris narrates and Daniel Ludford-Thomas sings. Leeds Castle, Maidstone, Kent (box office 0622 35203). Today, 2pm. Adults £8, child £3. Book in advance.

**THE RAMAYANA:** First of a series of free Saturday entertainments and lectures at the Horniman is a magnificent Indian shadow puppet show. Horniman Museum, London Road, Forest Hill, London SE23 (01-899-2339). Today, 3.30pm. Free.

**THE QUEEN'S SHILLING:** A celebration in words and music of 1,000 years of service to the Crown presented by and in aid of The Soldiers', Sailors' and Airmen's Association. Regimental bands and many famous showbiz personalities. Royal Albert Hall, Kensington Gore, London SW7 (01-899-8212). Tomorrow, 7.30pm. Tickets £3 to £15.

**DISCOVERING HADRIAN'S WALL:** National Trust archaeologist Jim Crow leads the way to Castle Nick and Sycamore Gap to look at the recent excavations. Meet at Steel Pig Car Park, Houssteads, Northumberland. Tomorrow 2pm. Adults 50p.

Judy Froshang

## Joining the big bang set

Now that the pheasant season has arrived, Humphrey Drummond has some holiday ideas for hunting in style

To be asked by a friend to stay for a shoot will always have that little extra cachet, but most of us do not receive such invitations.

But it is now possible to find grand country houses in which one can stay just as if one were a friend of the owner. One can enjoy a day's driven pheasants, perhaps 400 birds, then flight duck in the evening, and finally sit down to dinner in a "family guest" atmosphere. In fact, one can enjoy a real country house weekend. The only difference is the bill.

One such place is the "rim Georgian villa" (Robin Foden) of Constable Burton, Charles Wyville's magnificent Yorkshire home. Individuals are not catered for, but groups can have a memorable time. Bookings must usually be made a season ahead (0677 50361). Rates on this scale would be around £17 for each bird shot, and would not include accommodation (it is



Dog tired: taking a break after grouse shooting in Scotland

important to agree beforehand about cost-sharing). In addition to country houses, many excellent hotels offer this entertainment. Little Thakeham in West Sussex (09066 4416) is typical of the best, with accommodation in

the hotel and shooting organized in conjunction with neighbouring estates. A day with 300 driven pheasants for eight guns would be about £4,000, excluding the hotel.

At Garston Down in Wiltshire, the emphasis is on the high quality of the shooting with hotel accommodation found locally. Again, arrangements have to be made well in advance (0727 780332).

Northwards, driven or walked-up grouse are much in demand. More specialized than pheasant or partridge, they are perhaps the top of the

sporting tree. Foreign sportsmen are usually at the head of the queue, not afraid of paying £60 a brace of birds shot.

Just as popular as shooting, stalking is now in demand more than ever before. In many parts of England, permits to stalk roe can be obtained from local offices of the Forestry Commission. In Scotland, where roe are plentiful, a popular place to stay as guests is at Mr Peter Gladstone's establishment in Angus (056 14201). Not surprisingly, there are seldom any short-term vacancies. Red deer stalking costs from about £150 a stag. This will, of course, rise according to the splendour of the trophy.

Matters need not always be on such a lofty plane. A day flying pigeon on farm crops can be just as exciting for about £12 a day, but take your own lunch and a great many cartridges. Rabbit shooting over ferrets is a great introduction to the shooting world.

Sporting agencies Strutt and Parker (01-629 7282), Roxton's (0468 82885), Smiths Gore (031 225 5124) and many others can arrange most types of shooting for a client, alone or with friends.

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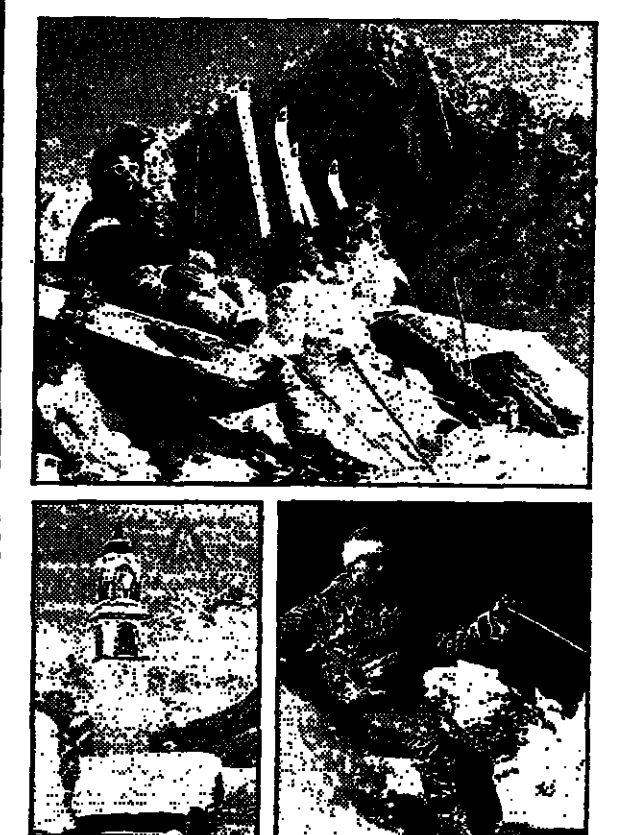
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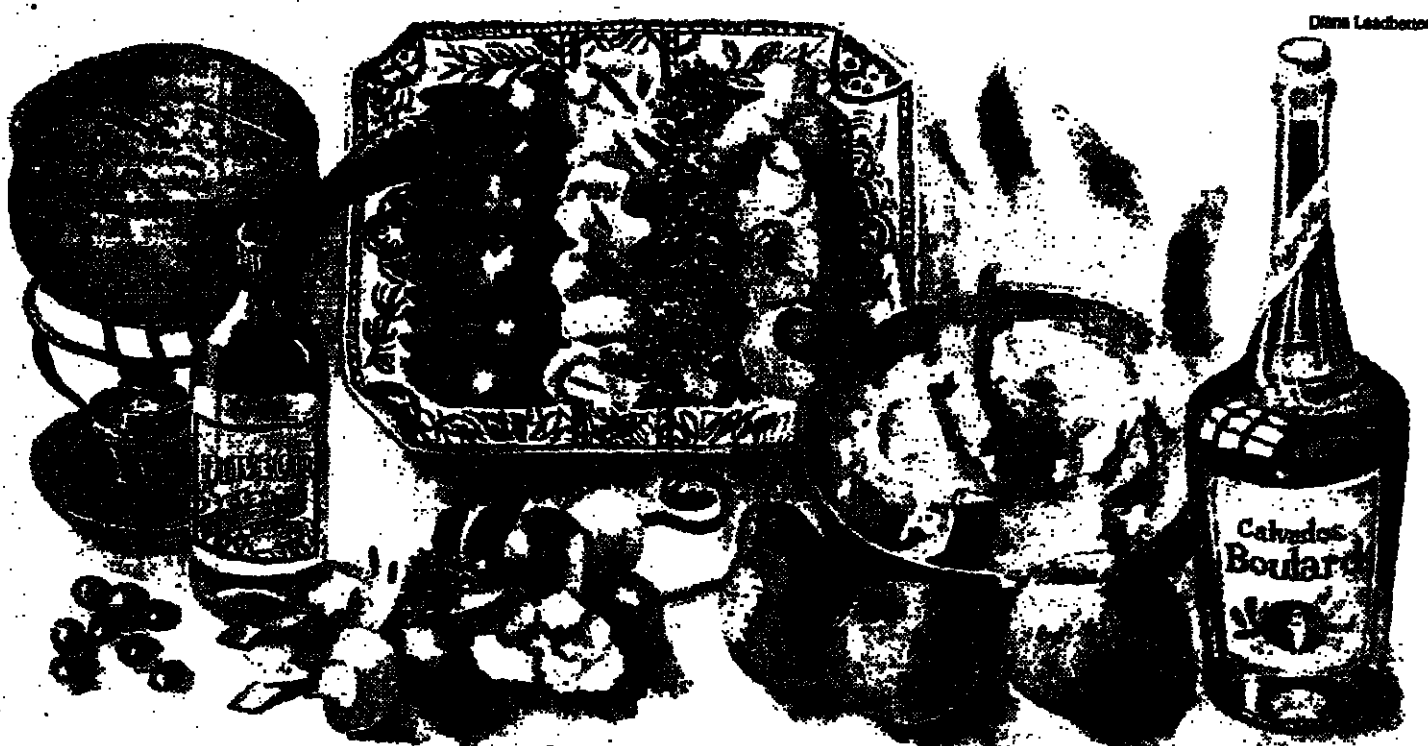




THE TIMES COOK

# Serving up a survival course

Frances Bissell explains how to rustle up an imaginative three-course meal in a crisis, in cramped conditions or with the barest of equipment



Oliver Leach

It might be moving day, when you've packed away all your good pots, pans and knives and have only a couple of old pans and an all-purpose knife visible at the top of a packing case.

You perhaps you live in a studio or bedsitter with no storage space for those glamorous sets of French cookware, and in any case, only a single gas burner on which to cook. Or there is a long power cut, you have friends coming for supper, and you can just about remember where you keep the camping stove. These things do happen and good food can still be produced in such circumstances.

My first real cooking away from home was on two small electric plates in an attic room in a garret in the Black Forest. An all-purpose large enamel pot, for boiling water for coffee as well as for pasta making, a small saucepan and a non-stick frying pan formed my *batterie de cuisine*, together with a wooden spoon, a palette knife, and a small sharp knife. We ate, I seem to recall, rather a lot of spaghetti bolognese and pancakes filled with vegetables in cheese sauce.

I was reminded of those days not very long ago when I was asked to produce a good meal for four people on nothing more than a gas camping stove with a single burner.

The dishes that follow were made using a small cast iron saucepan and a non-stick frying pan. A large pan of water was boiled, over which to keep plates and food warm as well as to cook some tagliatelle in.

The recipes are very versatile, as you can see, and allow for lots of substitutions. It is a good idea to choose dishes which your guests can help cook themselves. The fondue is the perfect dish for such an occasion. Instead of a cheese or a meat fondue, you might like to consider a fondue using seasonal vegetables, cooked in flavoured oil. On the other hand, you could turn

the following recipe into the main course by adding 1lb/450g of lean rump steak cut into cubes.

## Vegetable fondue

Serves 4

- 1 small tin anchovy fillets
- 4 plum cloves garlic, peeled
- 10 stoned olives, black or green
- 2 pieces dried tomato (optional, if you have it, but do not buy it specially for this dish as it's rather expensive)
- 3 1/2pt/400ml olive oil
- sprig of thyme, rosemary, or marjoram

1lb/450g mixed, prepared vegetables, cherry tomatoes, broccoli and cauliflower florets, courgettes, mushrooms, baby sweetcorn, mangetout - some or all of these

Drain the anchovies and chop them finely with the garlic, olives, and dried tomatoes. Mix with the olive oil in a small heavy saucepan. Add the herbs, and gently heat the oil. Thread the vegetables on to wooden skewers or satay sticks, and let each person cook their own in the oil when it comes to boiling point. Indeed, you could pile the

vegetables on a platter, and let each person prepare their own sticks of vegetables.

The next recipe sounds very grand and complicated, but in fact it couldn't be simpler to cook. White wine can, of course, be substituted for the red, but I think you will be surprised at how good a red wine sauce can be with fish.

Chicken breasts can be cooked using exactly the same method, but with an increased cooking time. A red wine largely made from the Cabernet Sauvignon or Cabernet Franc grape seems to keep its colour better than other red wines.

## Cod fillets in red wine sauce

Serves 4

- 1 1/2 to 2lb/675g to 900g cod fillet, preferably taken from the thick end of two fillets so that it all cooks at the same time
- 100g/25g butter
- 2 shallots, peeled and finely chopped
- 1/2pt/200ml good red wine
- salt and pepper

Skin the fish, and cut it into four neat regular shapes. Melt half the butter in a heavy frying pan, and lay the fillets in it, together with the

chopped shallots. Cook gently for three or four minutes. Then carefully turn the fish over and cook for another couple of minutes or more, depending on the thickness of the fillets.

Remove them and keep them warm while you finish off the sauce. Raise the heat under the pan and pour in the wine. Let it bubble fiercely to boil off the alcohol, scraping up any bits stuck to the bottom of the pan. When the wine has reduced by two thirds and becomes syrupy, add the rest of the butter cut into small pieces, a piece at a time, swirling the pan to blend the butter into the sauce. Season and serve a spoonful or so with each fillet arranged on individual plates. Rice or fresh pasta goes very well with fish cooked this way.

For the next recipe, use whatever firm fruit is in season, apples, pears, plums. I like to make it with plums and use a Yugoslavian plum spirit with which to flame it. Hot apples flamed in Calvados would be delicious, and this is a good recipe for using up those drops in old holiday bottles of duty free brandy, Armagnac or rum too.

Hot fruit salad  
Serves 4  
1lb/450g firm fruit  
1 large ripe banana  
4 tablespoons fresh orange or lemon juice  
sugar, if required (to taste during cooking)  
2 tablespoons liqueur or spirit

Slice the fruit into a non-stick frying pan, minus cores, stalks, stones, skins, and pips as appropriate. Moisten with half the fruit juice and cook until the main fruit is just tender and the banana is cooked down to a delicious sauce. Add the rest of the juice and sugar if needed. Raise the heat, pour on the spirit and stand back to light it. Serve immediately. An even richer version can be made by cooking the fruit in a little butter.

Several wine merchants are organizing late bin-end offers this month. Corney & Barrow (12 Helmet Row, London EC1), are promoting what they call a "scintillating September offer" - which does not close until next Friday. Appetizing buys among the clarets include the '83 Clos de Marquis for £96 a case, down from £113.16; the '81 Lalonde Borie, another St Julien, at £75 a case; and bottle-aged halves of Corney's Guy de Chasse champagne, down from £133.86 a case to £108.

Good buys in the 1987/88 catalogue include Aubert de Villaine's '86 Aligote, down from £74.52 to £66 a case, and the finer Chardonnay-based '86 Bourgogne Blanc, Les Clos, down from £86.94 to £76. Richard Harvey, the Old Corn House, 37 Westborough, Wimborne Minster, Dorset, suggests '81 Potensac, at £6 a bottle, as his star buy, and recommends the '81 and '83 red Hermitage, Domaine des Remizieres, priced at £7 and £8 a bottle respectively.

My star red wine buy this month is Malecan, a French red vin de table at Majestic Wine Warehouses at just £2.19 a bottle. This '70cl delight is, as the name on the label suggests (Johnston, a famous Bordeaux wine merchant family), declassified claret. Why Malecan was declassified is a mystery to me.

October deserves some white wine recommendation too and lovers of Bordeaux Sauvignon will enjoy the new 1986 Chateau Calbot, Cailion Blanc, whose pale straw colour, zesty style and waxy, elderflower-like flavours are definitely worth experiencing (Majestic, £6.19, Selfridge's £6.95, Harrod's £7.55).

Jane MacQuitty

## EATING OUT

# A feast worth the fuss

Jonathan Meades finds cheap, good food in two off-beat Japanese restaurants

That Japanese restaurants should be found in two of London's "international" hotels is hardly surprising. Indeed, what is astonishing is that until a few weeks ago there was only one.

International in this context means, after all, American - American founded or owned or, at least, designed for an American clientele. And Japanese restaurants have been commonplace in the US for three decades.

They started, sure enough, on the West Coast, and spread there across the continent. They were neither expensive nor, by the mid-Sixties, were they rare.

This no-doubt accounts for the comparative cheapness of the long-established Hiroko in the cosmopolitanly named Kensington Hilton, which is hard by the Shepherd's Bush roundabout. I mean, incidentally, that it is cheap in comparison with kindredly aspirant Japanese restaurants in London.

The foyer of the hotel is the usual marriage of airport and trade fair. You feel thousands of miles from home. You even begin to covet travel fatigue. It's limbo-land that does that to you. Once inside the restaurant you're recognizably in a formulaic outpost of

Japan. While you wait for your table, you sit beside a little "garden" of stones and bamboo, perusing a Japanese newspaper devoted to Japanese baseball. Japanese American football and so on - well, this is a Hilton. The room is long, divided into light wood booths down its sides with banquettes and screens in the middle. On the walls windows give on to large colour photos of rockeries.

There's nothing bogus about the cooking, however. Nor about the raw dishes: *gyusashi* is tartar steak with egg yolk and sesame seeds and - so the menu said though my

tongue didn't confirm it - garlic. Raw fish, *sashimi*, was notable for the inclusion of belly tuna which is the most prized ingredient of this classic collation and often omitted or served when not at its peak. This was perfect.

And raw salmon marinated in rice vinegar was very good too. Another dish worth going for is one I had not hitherto encountered called *nasu dengaku* - "steaks" of marvellously fondant aubergine, spread with an oily and slightly sweet soya paste.

After these we ate two fishy main courses: mackerel grilled with salt to render the skin



Frances Meade

crisp, and eel fillets served in a lacquered box with a too-cloying sauce. With three beers and two jars of sake, the bill for two was £53.

After these we ate two fishy main courses: mackerel grilled with salt to render the skin

set-ups. It is no cinch to find it. You have to get to the corner of the sprawling reception counter and then head off east through a series of wilderness of coffee shops, laze-offers and gift displays before a hole in the wall admits you to a restaurant which might well have been designed by the

robotic hand that did Hiroko.

The menu offers no surprises but the quality of ingredients and preparation is intermittently commendable. The presentation, though, is tiresomely fussy even by Japanese standards: the kitchen is evidently populated by craftsmen-carvers who cannot bear to let a root veg pass without folk-sculpting it into a flea-comb or starfish.

Such things floated in a pungent chicken broth along with a scrappy quail of fowl and an intriguing lump of vegetable jelly. *Sashimi* was a bit too zealously refrigerated and featured mussels in the basket, that is, one mussel, cut in two, and perched in a twee mini-trug.

Exemplary *tonkatsu*, deep-fried pork in light batter, was not in the least bit arty but suffered, contrarily, from being placed alongside an undressed

salad. Grilled salmon was dryish but no too bad.

*Tempura* (battered veg and fish) was fresh as could be though it did suffer from too long a swim in the broth of the noodles it came with. The pickles at Mon - sour plums, smoky onions and so on - provide impressive shocks to the tongue, like swear words in Mandarin prose. The service is charming. The bill: £54 for two.

Mon and Hiroko set their prices at about two thirds the London-Japanese norm, presumably not to frighten off American customers.

Hiroko: Kensington Hilton, 179 Holland Park Avenue, W11 (033 3355/5003) noon-2.30pm and 6-11.30pm every day except Monday lunchtime. Mon: Cumberland Hotel, Great Cumberland Place, W1 (0262 1234) noon-2.30pm and 6-10pm Tues to Sun.

## IN THE GARDEN

# Some rosy secrets

Claire Roberts



Suffolk punch: Souvenir de la Malmaison at Claydon gardens

For anyone who wishes to follow suit when planting this season, this method is always to dig a hole about 2ft deep and 18in wide, filling with a mixture of topsoil and a quarter each of leafmould and peat, into which he secures the young plant. He is opposed to top feeding since his object is strong roots which grow down to find their own water, not groping weakly at the surface.

He is fastidious about dead-heading, employing a group of girls to come weekly to tackle this considerable task.

Francesca Greenoak

The Rosarium, Claydon, near Ipswich, Suffolk is open mid-May to the end of July daily 2-7pm. Admission 75p. Though normally closed in autumn, Humphrey Brooke will open his gate (free) at weekends this autumn to readers of *The Times*. Please telephone beforehand (0473) 830334.

Since infancy Humphrey Brooke has loved French mid-19th century hybrid perpetual roses. He was the first English rosarian for 40 years to visit the great rose gardens at Sangerhausen in East Germany, which has the best collection. It is partly owing to his efforts that some of the 6,300 Sangerhausen roses, many of them quite overlooked, are beginning to be available again.

It may seem surprising that there is so little disease or pest damage at the Rosarium, but Humphrey Brooke's philosophy is that healthy strongly growing roses don't suffer badly and that they recover themselves after an attack.

## WEEKEND TIPS

- Clean the greenhouse thoroughly and make sure all glass panes are intact and the heater (if you have one) in order.
- Take hardwood cuttings from philadelphus, buddleia and flowering currants and roses during the next few weeks. Choose a young shoot about 10 inches long, remove the soft tip and upper leaves, dip the other end in rooting powder, put in the soil and leave undisturbed for about a year.
- Complete the planting of spring flowering bulbs such as crocuses, snowdrops and early irises.
- Plant forget-me-nots, winter pansies and foxgloves with a sprinkling of bone meal into a firm soil.
- Rake over the lawn, complete out dead matter.

## GARDENS TO VISIT

TODAY  
Sussex: The Manor of Dean, Tillingham 2m W of Petworth; specimen trees, shrubs, flowers, a garden for all seasons; also open tomorrow and Monday; 2 to 6pm.

TODAY AND DAILY  
Wiltshire: Galloway House Gardens, Garsfield: fine trees, shrubs, greenhouses; open all day, all the year round.

TOMORROW  
Dorset: Dominey's Yard, Buckland Newton: 11m from Dorchester and Sherborne, 2m E of A352 or take B3143 from Sturminster Newton; 2 acres garden on chalk, clay and greens and, many unusual trees, shrubs, and autumn colour; 2 to 6pm.

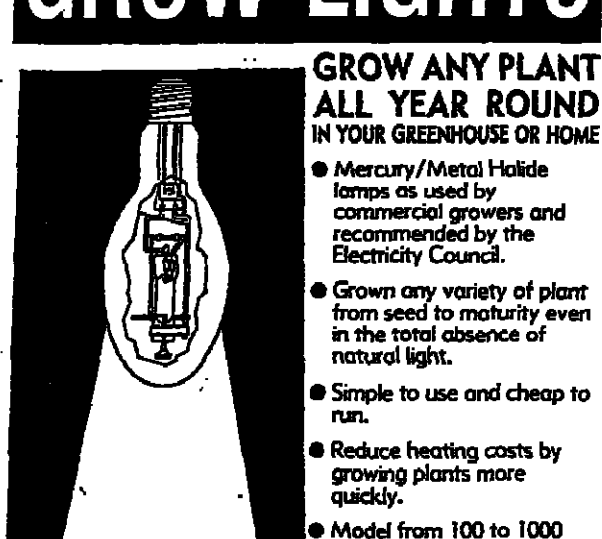
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## THE ARTS

## Half an idea

The hero of *Palanski* (BBC1) is Larry Summers, a Polish-American actor - apparently a graduate of the Jack Nicholson School of Mopey Speech - fretting at the artifice of his celebrity as the star of a British guns-and-Coronas television series. Last night's opener promised vinegar but delivered syrup. Larry's real drink problem was that English barman who was at sliding beer glasses along the bar; a mobile pick-up who almost offered her honour.

## TELEVISION

In the back of a 2CV ultimately declined to conjugate for fear of "cheapsening" his public persona. Such are the pitfalls of fame.

The rot set in when Roy Clarke's script decided that these two strands of character required a third - Larry/Palanski as a real-life amateur. The hunting for the missing son of a suicidal middle-aged man. This ended up a standard rags-to-riches crossbow-toting "survivalists" bent on proving their fitness to survive by numerically reducing the local population.

Judging by the excerpts from the alleged series in which Larry stars, we should be grateful that it is not being screened in its entirety. "Our tedious crap," moaned *Palanski's* English director to his American producer, "is cheaper than your tedious crap." But *Palanski* is only half an idea, and has to fall back on the very material that other hands might have chosen to satirise. Instead of opening up the Dempsey and Makepeace formula, it merely adorns it.

Peter Ustinov's *Russia* (BBC2) trudges on its elephantine way with *The Struggle with Napoleon* - a subtitle which sounds like a translation. Before reaching the extracts from the Russian film of *War and Peace* ("after Tolstoy's great book," it is explained), we endured a Lithuanian carnival and a tiny female basketball prodigy. I switched off when Mr Ustinov dropped in on a Russian actor playing Tsar Alexander I, who told him in a subtitle: "You are wonderfully perceptive." Like a pretty chocolate box containing tasteless sweets, it is hard to ascertain the purpose of this series.

Martin Cropper

## Happy Bloomsburyday

The ambitious Bloomsbury publishing venture is one year old. Chris Peachment assesses its progress towards the big time

Bloomsbury's first anniversary is this week. So two cheers for it on its birthday, and may it have many happy returns - except from the bookshops, of course. The brat was lugged, kicking and screaming, into the world at one in the morning last September 29 in a lawyer's office in the City.

Two of the four required signatories on the deal had not previously appeared to be counted: Nigel Newton, the chairman and managing director, and Liz Calder, the editorial director, had resigned their previous posts without yet having the security of the next job; and the champagne had been brought into the office once, only to be shot out again as inappropriate. Finally it was re-admitted to toast the last contract being signed, after last-minute appearances, and Newton and Calder breathed again.

No one will say how much capital was involved (publishing, it seems, is still gentlemanly enough to regard monetary talk as vulgar), but Nigel Newton admits that it was in excess of £2 million. This was blue-chip venture capital, and the understanding all round was that the money men wanted a return on their outlay. This, it is generally assumed, means Bloomsbury will seek a listing on the USM within five years, and the bankers will gain their money back on share sales.

What it also means is that Bloomsbury was never intended as one of those small, independent companies which gain everyone's sympathy and little else by way of reward. Newton, who is one of those great rarities, a Californian who speaks English, insists: "You have to walk with a big stick. Publishing is now tremendously competitive, and the opposing battalions get bigger every day." Just last week Macmillan swallowed Pan whole, and Virgin seduced W.H. Allen.

This meant that Bloomsbury wanted to grow to its ultimate size almost immediately, and to this end set itself a target of 100 books for the



Booking ahead: are Nigel Newton and Liz Calder now en route for the stock market with their one-year-old baby?

first year. Since the appearance last April of its first book, *Trust* by Mary Flanagan, some 80 more have been added to the lists.

"One of the most important factors was to have a sufficiently large turnover to justify having our own sales force, rather than use someone else's," says Newton. "I am originally from sales and people don't realize how very important that end of the business is. Why should someone come to you rather than another company? Because of the special relationship you build up with people, and the efficiency with which you can get the books to them."

Their biggest success to date has been the Marilyn Monroe book, with 30,000 sold to the UK and Commonwealth and another 20,000 on their way to other territories, although for some reason it has yet to be bought in the US. The next best seller has been the celebration of Elvis, printed in Tennessee in "Memphis" typeface. And Terence Stamp's autobiography also did very well. But are these really the sort of books that ought to be emanating from a company called Bloomsbury?

"We set out to be eclectic," says Newton; "people were saying that we couldn't do things like cookery books

alongside serious novels or more esoteric books in the same imprint, but we have always had the policy of a varied list."

As a policy this may seem hard-headed enough, but anyone can publish best-selling glitter-books with a designer cover and a star name on the spine. Where the kudos is gained is still in a solid critical success. And here Bloomsbury still awaits its hour to come around. Newton does point out that Mary Flanagan, Jeanette Winterson and Mary Gordon gained good reviews for their respective novels; but as far as can be recalled, they may have set the Groucho club on fire, but not exactly the Thames.

Or does Bloomsbury yet have a top gun novelist on its books. When Liz Calder left Cape to join Bloomsbury, it was widely assumed that she would carry off her large brood of authors with whom she had enjoyed famously good working relations. However, there is not yet a Salman Rushdie, a Julian Barnes or an Anita Brookner entering the lists, although Newton triumphantly says that not two hours previous they had just signed up Paul Bailey's next novel, *Esther's Mission*, which will appear in September 1989. "Will that

do for you?" he asks. Up to a point, sir.

It is still, however, early days; they may be a year old, but they have only been publishing since April. One cannot stand over a novelist with a lash and order him to produce a masterpiece by next month. Presumably they will bide their time until they can wade into the auctions waving large bales of cash and ridiculous promises. Just recently they spent £130,000 for Scott Turow's *Presumed Innocent*, which does seem a startling amount for an unknown author.

Newton says that bidding at these affairs is one of the most exhilarating experiences of his professional life, but does admit that publishing is now fast contracting the Hollywood syndrome, in which the size and nature of the deal is more important than the work itself. That, however, is the battle-formation of the fight these days, and while you may march to a different piper, you can't shift the battlefield.

"We have received tremendous support and goodwill from the rest of the business, from our authors, from agents, sales people, from almost all the profession," says Newton. "Now we have to show we deserve it."

## Homage to Stradivari

Richard Morrison joined the musical celebrations in violin-filled Cremona

Cremona is celebrating its most famous son, Antonio Stradivari, greatest of all violin makers, died 250 years ago. Even for the north Italian city which was home to the Guarneri, Amati and Bergozzi instrument-making dynasties, a place where violin-making flourishes still and where even the bakers produce violin-shaped loaves, this is a special year.

So the city's permanent collection of ancient instruments was magnificently, if temporarily, augmented. Curators, collectors and musicians from around the world lent their Strads to Cremona, as Brian James described on the *Spectrum* page at the end of August, and the result was a beautifully laid-out exhibition of 46 instruments.

Since a single Strad has just been auctioned for £440,000, the chance of something nasty happening to 46 at once must have caused the Cremonese town council a few sleepless nights. But 1,000 visitors a day came to marvel at the perfect fusion of hand, brain and eye that these instruments represent, not the silly prices they now seem to command.

The exhibition ran from the 1670 Tullay - perhaps his earliest surviving instrument and (to an expert eye, at least) a little rough in its purfling to the 1736 Muntz, made when he was over 90. It included many examples from the "golden period" of the early 1700s: the Lady Blunt, Gypsy, Cremonese, Zahn - all showing Stradivari's famous mark (the initials S.A. and a Jesuit cross, apparently to guarantee safe passage).

There was the beautiful 1679 Hellier, decorated in ebony and ivory, and the 1703 Emiliani, loaned by Anne-Sophie Mutter. Stradivari's tools were exhibited - primitive planes and clamps seemingly incapable of any exactitude - and some of his drawings and cases.



Salvatore Accardo with Strad

Musical instruments, of course, exist to be played; but these instruments serve as a perpetual inspiration for musical craftsmen. The temptation is to preserve them in museum cases. So it was important that these Cremonese celebrations also included music-making, centred on the violinist Salvatore Accardo (appropriately, since he owns three Strads). He was the principal soloist in an extraordinary concert of seven Vivaldi concertos, in which each of the ten players (not including double bass or harpsichord) was playing a Strad.

This concert, in the Teatro Ponchielli, (decorated with 2,000 pink carnations for the occasion), served almost a symbolic function to which the players responded. Accardo's concept of the *Four Seasons* is indeed a celebration of a very Italianate way of violin-playing: ever fluctuating in mood, fleetly virtuosic one moment, silky the next. It is good to know that this unique "homage to Stradivari via Vivaldi" was recorded the next day, even if the world is not short of *Four Seasons* recordings.

● The RAM Gala Concert at the Barbican on December 2 will feature 15 Stradivarius instruments.

## CONCERT

Philharmonia/Sinopoli Festival Hall

The enigma that is Giuseppe Sinopoli continues to mystify. In what was in effect the opening concert of the Philharmonia Orchestra's new season in London, it almost goes without saying that he chose to conduct Mahler.

From a purely technical point of view he secured a performance of the Ninth Symphony that was admirably faithful to the score, one which seemed to take due note of every marked change of tempo and every occasion ignore the difference between, say, *ff* and *fff*. Yet for three-quarters of the symphony something seemed to be missing in the department of communication. Somehow, one's nerve endings failed to respond to what should have been the disturbing surface of this music.

In immediate retrospect, one is tempted to blame that on the very strictness of Sinopoli's

interpretation. In the first movement, for instance, the music cried out for some sign of flexibility, for a little less refinement of detail and for a little more cut-and-thrust. It simply did not sound as though it were quite enough of an effort for the orchestra.

Yet after these disappointments as well as those of a *Ländler* which, despite Mahler's description of it as "easy going", surely required a degree more sharpness in its edges, there was the Finale, stretching out to the infinite void of heaven (or oblivion, depending on your point of view). Here at last technical ability and artistic vision conjoined, as it so often does in Sinopoli's Mahler, his impeccable control over balance, phrasing and tempo combining to stretch the music almost to the point of a delectable standstill.

At the beginning of its musical year the Philharmonia happily sounded in fine form. There were many telling solo contributions, but most important is the fact that the players blend so well together, and they continue to make an impressively illustrious team.

Stephen Pettitt

## THEATRE

The Traveller Haymarket Studio, Leicester

This play contains a ten-minute spell of drama so thrillingly staged that it pulls you to the edge of your seat, breathless to register every whirling moment of it. It also holds a performance by David Threlfall that, far more often than not, grips the audience's attention, concern, close sympathy and awe. And it is a play that elsewhere leaks slosh like an ill-made bucket.

As the title indicates to us all, the subject-matter of Jean-Claude van Itallie's play, first staged six months ago in Los Angeles, is someone struggling upon life's journey. The Traveller, his name withheld from us until the last word of the play, is a composer, first seen scolding over a review of his *Inferno* and planning an opera on *Leah*.

Abruptly he suffers a heart attack and at its onset the doors around the stage open on to brilliant white light, and

for those next ten minutes Keith Boak's direction gives us the very sensation of fear and confusion.

When the composer emerges from the maelstrom of transformations, and his hospital bed stops spinning round the table, he has become the victim of a stroke. The rest of the play concerns his fight to recover the understanding and use of words.

Van Itallie's method of doing this is to entwine the objective approach with the subjective, one moment observing the Traveller from the outside, the next being allowed to share his fluttering perceptions. Four levels of verbal reality develop: what he thinks, what he hears others say (gibberish); what they actually say; and what they hear him say (different gibberish).

At the same time Van Itallie's dramatic gift perfectly expresses the storm and flash of catastrophe but cannot cope with the ordinary. The part of the loyal lower is so ineptly underwritten that Morag Hood can do little with it but look urgent and bravely smile.

Jeremy Kingston

## Of people and places

No doubt the rights and wrongs of the Garrick Club's recent action in rejecting Derek Hill's new portrait of Dame Peggy Ashcroft as "a poor likeness and an unfortunate composition with far too much blank space" will have to wait for assessment until the world has a chance to see it, presumably somewhere else.

But Hill is not exactly an unknown quantity as a portrait painter, having been, after all, one of our most consistent and successful portraitists for some 30 years. Too conservative, indeed, for some, since his images are immediately and directly recognizable and are very definitely painting as Sickert and Steer would have understood it.

As it happens, Hill's portraits have achieved such fame and familiarity that they have tended to obscure his very considerable gifts as a landscape painter. In his new book on Hill, Grey Gowrie argues, that he should really be regarded as the best painter of the Irish landscape since Jack Yeats, and in fact Hill's gifts as a landscape painter are more clear and specific than those of Yeats, who went over too soon from landscape to his own form of semi-abstract expressionism.

But what holds Hill's work together so well as a whole is the primacy he accords the traditional painterly qualities: it seems indeed a little artificial to discuss him in terms



Portrait in a landscape: Donegal man John Mangan (1961) in a home-made wheel chair

of genre at all. Whether he is painting a person or a place or, occasionally, people in a place, he works with the same fluency and gusto, and the same sheer enjoyment of the process of putting paint on canvas.

Much of Grey Gowrie's book *Derek Hill: An Appreciation* (Quartet Books, £25) is occupied by a lengthy

conversation with the artist, in which he speaks persuasively and with much humour about his life and his work, and also, in a quite unsolemn way, provides many serious insights on art, his own approach to it and the problems which beset the generally traditional, figurative artist today.

He himself has always

steered clear of fashions, whether of the avant-garde or the nostalgically retrospective variety.

The least controversial of men, he must find a certain piquancy in being in the midst of an art controversy now.

John Russell Taylor

## A clearer view of the sun

## RADIO OPERA

Alexander Goehr's second opera, long considered and richly rooted in his creative world, emerged to a rocky premiere at Duisburg in 1985: tonight's broadcast may be the occasion for calmer thoughts about it, especially when this newly recorded performance, conducted by Sir John Pritchard, marches forward with such authority.

The setting is Munster at the time of the Anabaptists, a time chosen for its model significance in the history of German utopianism. Under their leaders Matthys and

Bokelson, the Anabaptists arrive in the towns and preach the millennium, establishing a new social order of communalism. Catholic forces are sent against them, and Matthys is shot as he tries to make peace. What chiefly destroys the New Jerusalem, however, is pressure from within.

Under the conditions of siege, and finding himself sole leader, Bokelson becomes more extreme and self-seeking. The Catholic army breaks in; Bokelson and the Prince-Bishop, representing new vision and conformity, are left in mutual incomprehension.

In seeking to make a heaven on earth, the Anabaptists identify themselves with the Chosen People and look for

guidance to the Old Testament: much of their language is biblical, and the opera reinforces the correspondence in its frequently oratorio-like manner (indeed it includes large chunks from Goehr's big cantata *Babylon the Great is Fallen*) as well as in its pervasive references to Bach.

However, Goehr's references to his own sacred books go deeper than this. The opening scene, in which a mother reads to her son, alludes to the similar scene in *Warlock*, and the whole opera is full of parallels with *Moses and Aaron*: there are the twin leaders, the severe, bass-toned and the hysterical tenor; there are the scenes of choral muttering, imprecation and

orgy; and there is the central argument about the value of new vision.

Since the opera is so Schoenbergian, and comes most to life when it is most Schoenbergian, it rather provides its own answer.

The cast is led by Philip Joll and Philip Langridge as the Anabaptist leaders, respectively cloudy-toned and sword-bright as they should be. Celina Lindley brilliantly sings the high aria for the visionary boy Fione Kimm; and Carole Farley is beautiful and eloquent as the voice of humanity amid so much delusion.

Paul Griffiths

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## THE WEEK AHEAD



## CONCERTS

**MOST WELCOME:** Franz Welser-Möst, now a regular guest conductor with the London Philharmonic, leads the orchestra, and the London Philharmonic Choir and soloists, in Beethoven's Mass in C major at the Festival Hall on Monday, following this with Bruckner's lengthy Symphony No 6. Welser-Möst was conducting the Austrian Youth Orchestra until 1985. He toured Europe with the LPO earlier this year. Festival Hall, South Bank, London SE1 (01-928 3191, cc 01-928 8800), Monday, 7.30-9.30pm, £2.90-£15.



## GALLERIES

**MURAL MAN:** Rex Whistler, who died in action in 1944, is best known, perhaps, for his decoration of the Tate Gallery restaurant, but he was also a prolific painter, illustrator and designer of countless murals. At the Michael Parkin Gallery next week about two dozen of his rococo-influenced paintings are on view (and some on sale), together with work by Stephen Tennant and others of his circle. Michael Parkin Gallery, 11 Motcombe Street, London SW1 (01-235 8144), Wed Oct 7 to Nov 6, Mon-Fri 10am-6pm, Sat 10am-1pm.



## CINEMA

**ACT OR FACT?** Bob Dylan makes an appropriate movie comeback, in *Hearts of Fire* (15), playing a reclusive rock superstar who has abandoned the bright lights. His opposite number is Rupert Everett, not known previously for singing, cast as a flashy English rock star at the peak of his career. Richard Marquand, who died last month, directed from a script by a former Rolling Stone reporter, so the clichés should at least be authentic. Odeon Marble Arch, London W1, (01-723 2011), from Friday.



## BOOKS

**TAMING WILDE:** Oscar Wilde is the subject of Richard Ellman's big critical biography, *Wilde: Life and Works* (published on Monday by Hamish Hamilton, £15), on which he has been working for many years. Using material from fresh as well as the old familiar sources, the book details the rise and fall of the wit and aesthete, whose works are still among the funniest and most quoted in English. Ellman sees Oscar as a tireless promoter of a radical new aesthetic, dangerously at odds with a society not yet ready for him.



## THEATRE

**MIND PLAY:** Tom Courtenay, not often on stage in London, takes the role of Argan in *The Hypochondriac*, Alan Drury's translation of Molière's *Le Malade Imaginaire*, directed by Nancy Meckler. Philip Bird, Jonathan Cecil, Jonathan Cullen, Marilyn Cutts, Brian Glover, Kathryn Hunter and Mary Maddox complete the cast of the play in which Molière himself was playing at its fourth performance in 1673 when he suffered a haemorrhage and died. Lyric, Hammersmith (01-741 2311), Previews from Thurs. Opens Oct 13.



## ROCK

**GOD'S GIFT:** Paul Johnson overcame both a childhood stutter and a career in British Telecom to join a handful of British singers currently up and running in the soul giant stakes. His musical background is in gospel and the church, and, on his eponymous debut album, he introduced a counter-tenor voice of effortless range and panache. Tomorrow, Sadler's Wells, London EC1 (01-278 8916). On tour with B King: Thursday, Brighton Centre (0273 202881); Friday, Manchester Apollo (061 273 3775).

## THEATRE LONDON

**DEATHWATCH/THE MAIDS:** Jean Genet double bill by the RSC, joining *The Maids* and to be followed by *The Blacks*. David Rudkin's translations of this pair are directed by designer Uitz and Gerard Murphy, who features alongside Patrick Bailey and Steven Rinkus. The Pit (01-638 8891), In repertory. Thurs, Fri, Sat (matinee and evening). Press night Oct 12.

**GIRLFRIENDS:** Hazel O'Connor in Howard Goodall's musical which gives a restored theatre its first live show for nearly 40 years. Playhouse Theatre, Northumberland Avenue (01-839 4401), previews from Wed.

**KING OF ENGLAND:** New Barrie Keeffe play about a Tube train driver about to retire to his native Jamaica. Errol John, Cathy Tyson, Paul Barber. Theatre Royal, Stratford East (01-534 0310), Previews from Fri. Press Night Oct 12.

**SAVAGE IN LIMBO:** British premiere of a tragic-comedy by US cult writer John Patrick Shanley. Urban misfits in a Bronx bar. Gate Theatre Club (01-229 0700), Previews from Wed. Opens Wed.

**SEPARATION:** Saskia Reeves and David Suchet directed by Michael Attenborough in a play by Tom Kempinski. Hampstead (01-722 9301), Previews from Thurs. Opens Oct 14.

**THE WINTER'S TALE:** RSC Stratford production directed by Terry Hands. With Penny Downie, Raymond Bowers, Joe Melia. Barbican (01-638 8891), In repertory. Previews Thurs, Fri, Oct 10 (matinee and evening). Oct 12, 13, Press Night Oct 14.

**COLIN BLAKELY: A CELEBRATION:** Charity show as tribute to the actor who died this year. Includes the premiere of a short play by Michael Frayn. Lyric, Shaftesbury Avenue (01 437 3686), tomorrow, 7pm.

## OUT OF TOWN

**BATH:** Leticia and Lovage: Maggie Smith and Margaret Tyacke lead in a new comedy by Peter Shaffer and directed by Michael Blakemore. Transfers to the Globe, Shaftesbury Avenue. Theatre Royal (0225 65065), Opens Tues. Until Oct 17.

**COVENTRY:** The See-Saw Tree: Whirligig Theatre premiere of a new David Wood play for children. University of Warwick Arts Centre (0203 417417), Opens Tues. Until Oct 10.

**PLYMOUTH:** The Cape Orchard: Foco Novo presents a new play by Michael Rocardie, inspired by themes of *The Cherry Orchard*. Theatre Royal (0752 669595), Opens Wed. Until Oct 17.

**SHEFFIELD:** Of Mice and Men: Mike Kay directs the Steinbeck classic of the Depression. Crucible (0742 769222), Previews Wed evening. Thurs matinee. Opens Thurs evening. Until Oct 31.

**GLASGOW:** Joan of Arc: Friedrich Schiller's rarely-seen version. Citizens' (041 429 0022), Free preview Thurs. Opens Fri.

## OPERA

**ROYAL OPERA HOUSE:** A new *Figaro* for Covent Garden opens on Thurs at 7pm: Johannes Schaf makes his house debut as director with Bernard Haitink conducting a cast led by Claudio Desderi and Marie McLaughlin. Covent Garden, (01-240 1066).

**ENGLISH NATIONAL OPERA:** Werther opens on Wed at 7.30pm, restaged by Keith Warner and conducted by Mark Elder. Coliseum, St Martin's Lane, London WC2 (01-636 3161).

**GLYNDEBOURNE TOURING OPERA:** *Così fan tutte*, based on Peter Hall's original production, is performed on Tues and Thurs at 7pm, and the Ravel double-bill can be seen on Fri at 7.30pm and Sat at 5pm. Glyndebourne, Lewes, East Sussex (0273 541111).

**OPERA NORTH:** Promising new Peter Gill production of

*The Marriage of Figaro* on Thurs at 7.15pm. Sung in English, with Robert Hayward and Helen Field. Stephen Barlow conducting. Grand Theatre Leeds, (0532 459351).

## CONCERTS

**SINOPLI MIXTURE:** Giuseppe Sinopoli and the Philharmonia Orchestra with Elgar's *Faust*, Mozart's Bassoon Concerto (Meyrick Alexander, soloist) and Schumann's Symphony No 2. Festival Hall, South Bank, London SE1 (01-928 3191, cc 01-928 8800), Tonight, 7.30pm.

**ELLY AMELING:** Sings Schubert, Debussy, Poulenc and Honegger. Rudolf Jensen accompanies. Wigmore Hall, London, W1 (01-935 2141), Today 7.30pm.

**PLETH CELLO OCTET:** Performs J S Bach and Villa-Lobos's *Bachianas Brasileiras* Nos 1 and 5. St John's, Smith Square, London, SW1 (01-222 1061), Mon 8pm.

**FROM LENINGRAD:** Leningrad Philharmonic with Rachmaninov's Symphony No 3, Prokofiev's Piano Concerto No 1 and Stravinsky's *L'Oiseau de Feu* Suite. Festival Hall, Tues 7.30pm.

**FRUHBACH/LSO:** Rafael Frühbeck de Burgos takes the LSO through Rossini's *Italiana in Algeri* Overture, Prokofiev's Piano Concerto No 3 (John Lill, soloist) and Tchaikovsky's Symphony No 4. Barbican Centre, Tues 7.45pm.

**ALL GERSHWIN:** Richard Stamp conducts the Academy of London in Gershwin's *American in Paris*, Rhapsody in Blue and Piano Concerto. In the two latter the soloist is the extraordinary pianist Earl Wild. Barbican Centre, Wed 7.40pm.

## DANCE

**NORTHERN BALLET:** THEATRE's first season under a new director, Christopher Chapple. This week's offering is *Copacabana* - look soon for the grooming of new soloists.

Chichester Festival Theatre (0243 781312) Tues to Oct 10.

**SADLER'S WELLS ROYAL BALLET:** On tour with *La Fille mal Gardée* and a triple bill of *Paquita*, *Faust* and *The Picture of Dorian Grey*. Bristol Hippodrome (0272 299444) Mon to Oct 10.

**LONDON CONTEMPORARY DANCE THEATRE:** gives its new theatrical spectacle *The Phantasmagoria*. Birmingham Hippodrome (021 6227846) today, Leicester Haymarket (0533 539797), Tues to Oct 10.

**EXTEMPORARY DANCE THEATRE:** starts a new tour with all-woman production, *Grace and Glimmer*. University of Kent, Canterbury (0227 455600) Thurs to Oct 10.

## GALLERIES

**HELEN LESSORE:** Exhibition of Lessor's paintings as a tribute to her 80th birthday. Fine Art Society, London W1 (01-629 5116), From Mon.

**PAST AND PRESENT:** Fifteen contemporary artists, including Frank Auerbach and Dennis Creffield, exhibit their paintings beside the old master pictures which inspired them. City Art Gallery, Manchester (061 236 9422), From today.

**TRICIA GILLMAN:** New paintings by an impressive young artist whose style moves progressively nearer to representation. Benjamin Rhodes Gallery, London W1 (01-434 1766), From Wed.

**THE BOYLE FAMILY:** Deceptively realistic works recreating the appearance of the earth's surface at locations varying from Liverpool streets to the Australian outback. Mead Gallery, University of Warwick, Coventry (0203 417114), From today.

**THE EXPERIENCE OF LANDSCAPE:** A splendid collection of landscape paintings and some photographs by 20th century British artists. York City Art Gallery (0904 28333), From today.

**JEFF DELLOW:** New landscape paintings feature in this artist's first one-man show. Castlefield Gallery, Manchester (061 832 8034), From Fri.

## FILMS ON TV

**ATLANTIC CITY (1980):** Louis Malle's elegiac study of small-time gangsters with a superb performance from Burt Lancaster as an ageing crook trying to bury his past. BBC2, tomorrow, 10.40pm-12.25am.

**RAIDERS OF THE LOST ARK (1981):** Harrison Ford as the archaeologist on the trail of Nazi treasure hunters in Steven Spielberg's boisterous homage to the Saturday morning serials. ITV, Mon, 8-10pm.



● Jack Nicholson (above) as the middle-class drop-out in Bob Fosse's disenchanted view of 1970s America. *Five Easy Pieces*, part of a Nicholson double bill introduced by John Boorman. It is paired with *The Shooting* (1966), an under-rated and little revived western. Nicholson, who co-produced with the director, Monte Hellman, plays a hired killer on the trail of bounty-hunter Warren Oates. BBC2, tonight, 9.50pm-12.55am.

**THE GENERAL (1926):** Buster Keaton's greatest film, in a restored print and with a new score by Carl Davis. Shown immediately after part two of *Buster Keaton - A Hard Act to Follow* on ITV.

**THE RAKE'S PROGRESS (1945):** The Laurence-Gilliat team's stylish re-working of

the 1945 film, featuring a series in which modern writers (others include Trevor Griffiths and Angela Carter) talk about their craft. Channel 4, Mon, 8-6.30pm.

**ROAD:** Uncompromising view of working-class life in the north of England, adapted from Jim Cartwright's stage play and directed by Alan Clarke. BBC2, Wed, 9.25-10.30pm.

**THE GRANNY BUSINESS:** Documentary from Yorkshire Television which promises to

reveal an "appalling catalogue of neglect" in the running of homes for the elderly. ITV, Tues, 10.30-11.30pm.

**THE ARTS AND GLASNOST:** A season of BBC programmes about the state of the arts in the Soviet Union begins with a look at the Soviet cinema. BBC1, Fri, 10.25-11.25pm.

**CLOUDS:** Dinsdale Landon and Morag Hood in Michael Frayn's play about feuding British journalists in Cuba. Radio 4, tomorrow, 2.30-4pm.

**LARGO DESOLATO:** Play by the Czech dissident, Václav Havel, about an East European professor (Richard Briers) at odds with the authorities. Radio 3, Tues, 9.20-10.35pm.

**LAW IN ACTION:** The new series opens with an 80th birthday interview with the former Lord Chancellor, Lord Hailsham of St Marylebone. Radio 4, 9.05-9.30pm, Fri.

**ANGEL HEART (18):** Mickey Rourke's down-at-the-heels detective pursues a missing person to the wretched underworld of New Orleans. Pulp stuff, directed by Alan Parker in slam-bang style. Leicester Square Theatre (01-930 5252).

**OFF THE PAGE:** Thriller writer P D James launches a series in which modern writers (others include Trevor Griffiths and Angela Carter) talk about their craft. Channel 4, Mon, 8-6.30pm.

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## FILMS

**BEVERLY HILL COP II (15):** Eddie Murphy repeats his performance as the brazen Detroit cop on a job in Los Angeles. Tony Scott directs. Plaza (01-437 1234), from Fri.

**MASCARA (18):** Absurd concoction, with Michael Sarrazin as a police commissioner heavily involved with opera-loving homosexuals. Charlotte Rampling plays his poor, devoted sister. Belgian-born Patrick Conrad directs. Cannon Premiere (01-439 4470).

**MY FRIEND IVAN LAPSHIN (15):** The third film of pianist-beneficiary Alexei Gherman, a complex drama recalling memories of a criminal investigator in the 1930s. Metro (01-437 0757), from Fri.

**WHAT HAPPENED TO KEROUAC? (15):** Friends and relatives of Beat writer Jack Kerouac attempt an answer in this thorough biography, originally produced on videotape. Directed by Richard Lerner and Lewis MacAdams. ICA Cinema (01-830 3647), from Fri.

**THE EVERLY BROTHERS:** The golden harmonies are still struck to perfection. Tonight, Sands Centre, Carlisle (0228 25222); tomorrow, Liverpool Empire (051 709 1555); Wed, Brighton Centre (0273 202881); Thurs and Fri, Royal Albert Hall, London SW7 (01-589 8212).

**RAY BROWN TRIO:** Includes Gene Harris, a piano genius. Ronnie Scott's Club, 47 Frith Street, London W1 (01-439 0747), Mon to Sat.

**DON CHERRY'S NU:** This all-star quintet, featuring altoist Carlos Ward, was a big hit at Bracknell last year. QEH, London SE1 (01-928 3191), Wed; Gardner Centre, Brighton (0273 68061), Thurs; RNCM, Manchester (061 273 4504), Fri.

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## JAZZ

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**ROAD:** Uncompromising view of working-class life in the north of England, adapted from Jim Cartwright's stage play and directed by Alan Clarke. BBC2, Wed, 9.25-10.30pm.

**THE GRANNY BUSINESS:** Documentary from Yorkshire Television which promises to

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## RADIO

**BEVERLY HILL COP II (15):** Eddie Murphy repeats his performance as the brazen Detroit cop on a job in Los Angeles. Tony Scott directs. Plaza (01-437 1234), from Fri.

**MASCARA (18):** Absurd concoction, with Michael Sarrazin as a police commissioner heavily involved with opera-loving homosexuals. Charlotte Rampling plays his poor, devoted sister. Belgian-born Patrick Conrad directs. Cannon Premiere (01-439 4470).

**MY FRIEND IVAN LAPSHIN (15):** The third film of pianist-beneficiary Alexei Gherman, a complex drama recalling memories of a criminal investigator in the 1930s. Metro (01-437 0757), from Fri.

**WHAT HAPPENED TO KEROUAC? (15):** Friends and relatives of Beat writer Jack Kerouac attempt an answer in this thorough biography, originally produced on videotape. Directed by Richard Lerner and Lewis MacAdams. ICA Cinema (01-830 3647), from Fri.

**THE EVERLY BROTHERS:** The golden harmonies are still struck to perfection. Tonight, Sands Centre, Carlisle (0228 25222); tomorrow, Liverpool Empire (051 709 1555); Wed, Brighton Centre (0273 202881); Thurs and Fri, Royal Albert Hall, London SW7 (01-589 8212).

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## PHOTOGRAPHY

**THE POETRY OF MOTION:** The animal and human locomotion photographs by Edward Muybridge led directly to modern cinematography. In May 1880 the first photographs of a galloping horse were projected on a screen in San Francisco and Muybridge had given the world the motion picture. This exhibition celebrates his remarkable success. National Centre of Photography, The Royal Photographic Society, The Octagon, Milson Street, Bath. (0225 62841), From Oct 5.

**INSIDE DICKENS'S LONDON - GRAY'S INN TO DICKENS'S HOUSE:** Meet today, Holborn tube, 2pm, £2.25.

**AN HISTORIC PUB WALK - COVENT GARDEN:** Meet today, Holborn tube, 7.30pm, £2.25.

**JACK THE RIPPER AND THE ELEPHANT MAN MYSTERIES:** Meet tomorrow, Aldgate tube, 11am, £3.

## BOOKINGS



## SUNDAY

... was too clumsy to wear  
... clothes saw Audrey



## CHOICE

## Peter Waymark



Callas with Tito Gobbi (left) and Renato Cloni in a 1960 performance of *Traviata*. Photo by [illegible]

● Ten years after the death of Maria Callas, her records sell as well as ever, and more than 30 books have explored her brilliant career and her troubled life. What more can be offered by a television programme, even at 90 minutes length and even directed by Tony Palmer, an old hand at musical tele-biography? A South Bank Show Special (TV, 10.30pm) relies on a conventional mix of clips and interviews. It is a formula that inevitably transcends the anecdotal, not that the anecdotes are unilluminating. The girl who was too dumpy to wear smart clothes, saw Audrey

**P.W.**

## CHANNEL 4

**CHANNEL 4**

**9.25 Movie** Mahal (colour and b/w). Part three of the series on the Indian film industry. 9.00 Equinox: Maritime (r). 11.00 Chips's Comic. (r).

**11.30** Worzel Gummidge: The First of a new series. 12.00 The Waltons 1.00 Treasure Hunt (r).

**2.00** Eureka! (b/w). One of a drama serial about the life and times of the first sovereign province of British Columbia.

**2.30** Film: San Ferry Ann (1955, b/w) A comedy without the adventures of the group of British tourists in France. Directed by Jeremy Summers.

**3.30** Canal 4 Racing International. Live coverage of the Prix de l'Abbaye de Longchamp (3.40) and the Prix de l'Arc de Triomphe (4.25).

**4.50** Stage Door Macgo.

**4.55** Film: Tall Story and Goodbye (1951, b/w) starring Hugh Herbert as a novelist who is sent to a gonila. Directed by Lord.

**5.15** News summary and weather followed by The Business Programme. An examination of the role of the novelist in car industry; news of a new digital audio system to be launched next week by Sony; an interview with David Simon, MD and head of finance at BP.

**6.00** American Football. Minnesota Vikings at Los Angeles Rams.

**7.15** Battle for the Planet: Greening the Land. A documentary arguing that tree planting schemes must be under local community control. (Oracle)

**8.15** Le Corbusier. The first of two films about the controversial French architect.

**9.15** Play: One Fine Day, by Alan Bennett. An estate agent thinks that an empty office has a simple alternative to home. Starring Dave Allen (r). (Oracle)

**10.55** Film: The Ghoul (1933, b/w) Starring Boris Karloff as a professor who rises from the dead to wreak revenge on those who stole his ancient Egyptian gem. Directed by T Hayes Hunter.

**12.20** The Tell-tale Heart. Animated version of Edgar Allan Poe's tale, narrated by James Mason (r). Ends 12.35

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2.10 pianist and playwright John  
2.20 *Piano recital (part two):*  
Brahms (Variations and  
Fugue on a theme by  
Haydn, Op 24)  
2.45 *Bath International*  
Festival 1987: Guildhall  
Sinfonia Ensemble.  
2.50 *Violacens* (String  
Symphony No 4).  
Stravinsky (Apollo ballet  
music), Negel (Osborne  
Concerto), Tuckwell (Sinfonia  
Souvenir des Florence)  
2.20 *Nelsen and Janacek:*  
Tuckwell Wind Quintet with  
Clarinet Trio (Clarinet,  
clarinet), Nielsen (Quintet),  
Janacek (Mladi)  
3.10 *Royal Society of Music Concert 1746:*  
London Handel  
Orchestra, with soloists  
Catherine Denley, Irena  
Kucharek, Catherine Denley  
and Charles Brett.  
Works by Gluck (including  
Orfeo ed Euridice), Handel  
Gallup (including La sorte  
mia tiranna), Handel  
(including Concerto Grosso  
Op 2 No 5 to 10), Monty  
Nelson in E minor Op 3  
No 11 for two flutes and  
strings and William  
Kucharek (Concerto in G Op 2  
No 5 for two flutes and strings)  
3.30 *On the Edge of Certainty:*  
Conducted by Richard  
Talks, with David Suchet,  
and John Rowe  
3.15 Samuel Wesley: New

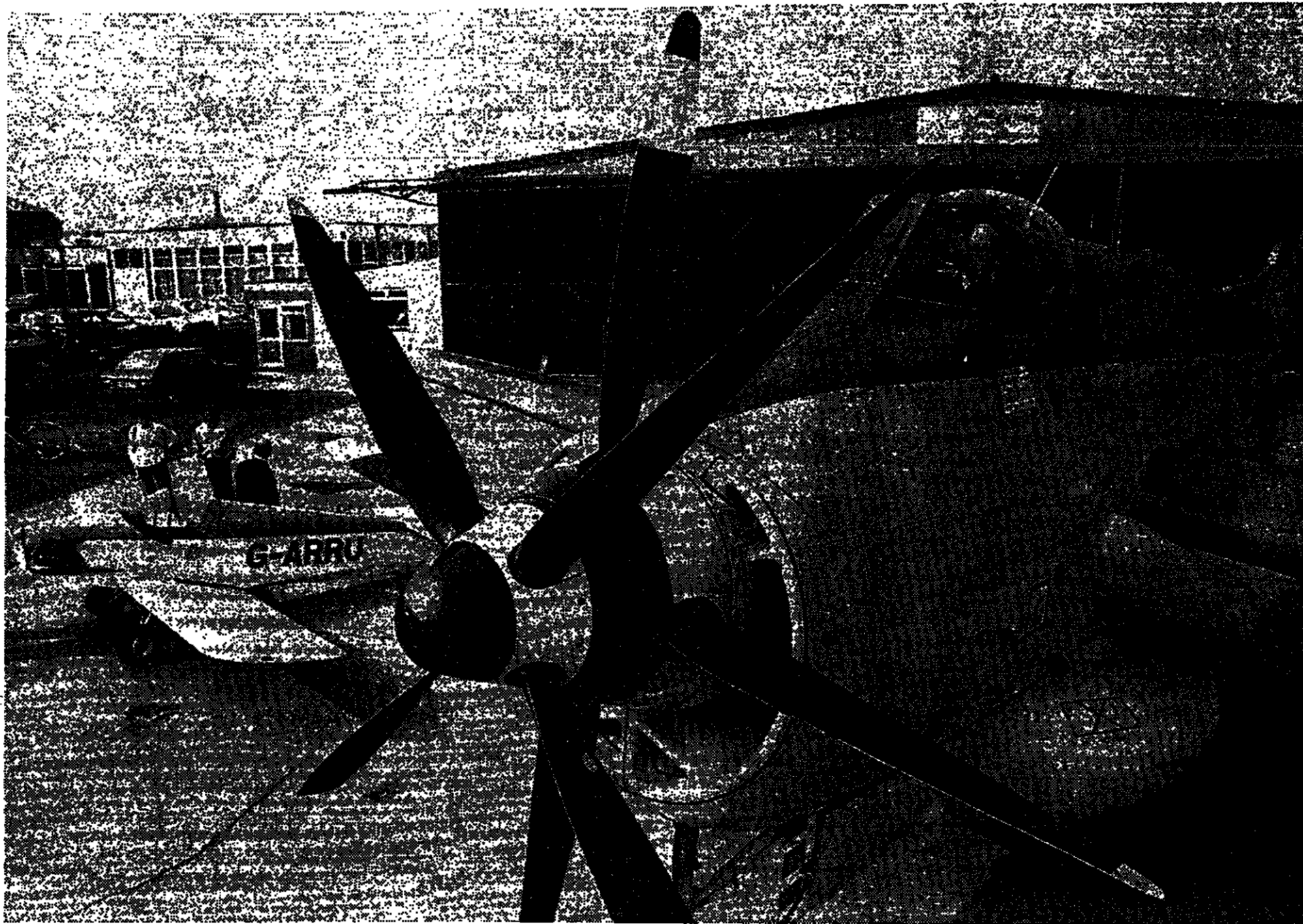
2000-2001

00 Gardeners' Question Time: gardeners answer letters  
 00 Horticultural Society, Perthshire  
 00 Globe Theatre: Clouds, by Michael Freyne, with  
 00 Theatre London and Morag Head heading the cast (a simultaneous broadcast with BBC World Service)  
 00 The Origins of Mankind: Billinge explores the world of archaeology: The Minnows and Their Gods (1)  
 00 The Natural History Programme: the presence of news, but no news  
 00 News: Down Your Way: Beryl Bainbridge visits Camden Town 3.50  
 00 Shipping 5.55 Weather  
 00 News  
 15 Feedback: Christopher Dunlop follows up listeners' comments  
 00 International Assignment: The US capesiders' report  
 00 News: The Court of Monte Cristo: dramatized by Barry Campbell (final episode). A Staring Andrew Soars as Ewan  
 00 A Good Read: Brian Greg with Penelope Lively and William Nicholson  
 00 The Book of the Week: Barbara Rossenblatt and Lindsay

100



# Anti-submarine fighter, one careful owner



Mr Neil Moffat at Luton yesterday in the cockpit of a AEW 3 Gannet which he has restored. The aircraft first flew in 1958 and served on various aircraft carriers.

## Irish court refuses to extradite embassy man

Continued from page 1

between London and Dublin, already tense because of the Irish government's insistence that it will not introduce a new extradition law in December unless the British reforms the judicial system in Northern Ireland.

Yesterday's judgment is the latest extradition mix-up between the two countries. Last year, Evelyn Glenholmes, suspected of being an IRA terrorist, was freed after a Dublin court ruled that the warrant for her extradition was defective.

Clearly embarrassed by yesterday's court ruling, the State Solicitor, Mr Barry Donoghue, told reporters: "We will be appealing against the district court ruling to the High Court."

Mr McDonald left the court accompanied by his solicitor, Mr Elio Malocco, for an unknown destination.

News of Mr McDonald's reprieve provoked a swift and angry reaction from Conservative MPs.

Mr Ivor Stanbrook, MP for Orpington and vice-chairman of the Tory backbench Northern Ireland committee, described the whole episode as "appalling".

Mr Jerry Hayes, MP for Harlow and secretary of the committee, said: "It's a pleasant surprise that the incompetence in this particular case comes from across the border, but future Anglo-Irish co-operation is going to mean nothing at all. There are going to have to be heads on spikes on both sides of the Irish Sea."

A Foreign Office spokesman confirmed that in May it had successfully requested from the Irish authorities a waiver of McDonald's diplomatic immunity for the purposes of detention, searching and questioning. In September, it had successfully requested a supplementary waiver of his immunity from being charged in this country.

Mr George Robertson, Labour foreign affairs spokesman, criticized the ruling as "confusing".

Mr McDonald, who was arrested by the Irish police in August after extradition warrants were sent from London, was wanted by Scotland Yard for questioning about allegations that he had sold bogus Irish passports to Middle Eastern citizens for sums reputed to range from £8,000 to £15,000 each.

By Douglas Rae

"Scramble" will be the order at Luton Airport today as aviation enthusiasts descend in squadrons on an omnibus collection of aircraft, ranging from a microfighter to a nuclear bomber, that will come down from the clouds and parade in the public sale ring.

All roads, and not a few flight paths, will lead to the 50 or so vintage and modern flying machines marshalled at the London Aviation Centre for what is believed to be the first auction of its kind held at a European international airport.

If you have hankered after a Hercules, bomber 80 more, unless you demand at parting with a limb or two as you outbid at least two United Kingdom bidders for the one going here: Royal Australian Air Force issue, Vietnam veteran, 2,670

airframe hours on the clock since the last Lockheed anti-deterioration check and ready to ferry your private army of 92 fully equipped troops and 64 paratroops while still leaving you room for 72 stretcher cases.

You may reserve your victory roll for something less conventional, like that nuclear bomber: a Vulcan B2, 5,448 hours on the clock, top speed 645mph. Again, finance could be the deterrent. If you want for the Junkers 52 in the livery of the Luftwaffe (last served with the Spanish Air Force), or the Mitchell bomber of the United States Army Air Force (rare action in the war movie *Hanover Street*), or the world's only operational Gannet (late of HMS Ark Royal), your bank manager could still be reaching for the sky.

Mr Andrew Wilkins, a part-time pilot from Letchworth in Hertfordshire, feels not so much an auctioneer as a display co-ordinator. Sharing the logistics of the sale with Group Captain Sid Edwards, of Transavia, Mr Wilkins said: "It has just snowballed. Aircraft are coming in from all sources, from private owners to British Aerospace, who have entered two Viscounts."

Bombarded all week by telephone calls from all over Europe, the US and Australia, Mr Wilkins said that, although a few of the less showy items would be unavailably absent from the parade ring, a notable exception would be the indestructible DC3 Dakota, which he has detailed himself to fly in.

(Photograph: Tim Bishop)

## 'Bridge too far' driver halts traffic

By Thomson Prentice, Science Correspondent

Gephrophobia - a terror of crossing bridges - brought traffic to a halt for 45 minutes on the A45 yesterday.

The prospect of crossing the three-quarters of a mile long Orwell Bridge, near Ipswich, Suffolk, was too much for a middle-aged woman driver. She came to a halt in the middle of the A45 approach road and refused to budge.

The woman told police that she was terrified of crossing bridges and had planned her route to avoid any such manoeuvre, but had taken a wrong turning on her 100 mile journey from Felixstowe to London.

Rush-hour traffic built up behind her into a long tailback for 45 minutes while police tried to find a solution.

Suffolk police said: "She was absolutely petrified, and although she was assured there was nothing to worry about she was adamant that she couldn't drive across the bridge."

Eventually PC Ian Lankester took over at the wheel and the woman, whose identity has not been disclosed, crouched in the back seat with her hands over her eyes during the fearful crossing.

Police said: "The poor lady

kept her head down and covered her eyes until they reached the other side. She was as right as rain after that."

The bridge is Britain's longest single-span concrete bridge and has a drop of 150 feet. However, the woman's problem was not caused by a fear of heights, but by gephrophobia - literally a fear of bridges, according to one expert.

Mr Norman Lee, president of the National Council of Psychotherapists, said: "The sufferer cannot bear the responsibility of crossing from one side to another, and opts

out of the decision.

"It is usually associated with other problems, such as agoraphobia, the fear of open spaces, and invariably there is another underlying anxiety to explain it."

Mr Lee, who offers an advice service in London for phobia sufferers, said he dealt with two or three gephrophobics a week.

"The answer is to try to find out what the real anxiety is and help the individual come to terms with that. Hypnotism can be very helpful, to boost the person's confidence," he said.

### Conference sketch

## Winning back the vital diaper vote

Outside the Ramada Renaissance Hotel, a Theatrical Removals lorry stood waiting. On the seafloor, a phalanx of photographers loitered beside an inflatable castle called *Bumpa Bouncer Super Bouncer*. Alongside it, a red ribbon was strung across the entrance to Brighton Council's first playbus, a converted double-decker christened *Fun One*, ready for salutation by the leader of the Labour Party.

The Kinnocks arrived 10 minutes late. Neil buttoning up his jacket button, Glenys beaming in a Liberty print. Within seconds, a baby apiece had been thrust in their arms. "Helloooo. Helloooo," cooed Glenys as her baby struggled for his freedom, yelling his demands not just for himself but for all babies everywhere. Meanwhile, Neil's baby's nose began to run.

"Let's have a successful nose-blowing exercise," said Neil, thinking that he could simply wipe away everything that had been built up without reference to grassroots opinion.

"What's this, hummm? What's this? Here's a silly thing," Glenys was pointing out a fur-muffled microphone to her baby. He was obviously still hopelessly ignorant of the machinery of the blatantly anti-babyist capitalist media.

"Great to have you here," said the chairman of the Brighton Parks and Recreation Committee, handing the scissors to the Labour leader. Showing deep commitment to all ribbon-snipping programmes, Mr Kinnock engineered a deep and severe cut in the ribbon to cheers from Labour activists.

From behind the photographers emerged an 8ft cuddly bear. "This is terrifying," said Glenys.

"Turn this way a bit, turn this way," shouted the photographers, but even bears have their rights. The Labour Bears Against Muggings group would have a thing or two to say about this. Mr Patricia Hewitt then helped turn the bear round to face photographers, and he stood, waving, next to the Labour leader.

Neil looked unsure whether to smile at his baby or his bear. "God, we do some ridiculous things," he muttered. "Shall we go on the bus now?"

Inside the bus, two little children were armed with paint brushes loaded with bright red paint, living embodiments of the need for an emergency paint control resolution from conference. "TO NEIL," were the words under a painting of a red rose, splattered and shambolic, giving every indication that it had been run over by a steamroller.

One of the children embarked on a painting of a red circle with something dark in the middle. Quite possibly it was a free-form study of Mr Ken Livingstone. This might explain why Mr Kinnock seemed intent on covering it with green paint. "What's this? What's this?" he asked the child, smothering Ken in green, adding: "It's a bush. It's a bush."

"Tracy's going to paint herself here picking flowers," Neil explained to the photographers, pointing at an area dangerously close to where Mr Livingstone was lurking, covered in bush. "Adding too much water makes it too watery," Glenys advised Tracy. But as self-elected chair of the Tracey Defence Caucus, Neil forthwith issued the following statement: "Tracy wants white now."

Upstairs in the bus, pamphlets showed the Life of Spot. Spot can see you. That's a silly place to hide. Spot. Calm down, Spot. Spot is behind the door. For a time, the Labour leader made a deep and serious review of the comings and goings of Spot, but then he began to show signs of distress that the child delegates showed more interest in Spot than him. "They don't give a damn that we're here," he complained, managing a smile.

"Neil's winding it up," stated Ms Patricia Hewitt in a press statement.

"Great. Right," said Neil, waving goodbye to the children.

"Back to mummy then," said Glenys.

After his official visit to *Fun One*, Mr Kinnock gave an interview to the small press corps on the seafloor.

"How much of a change do you think it marks for the party?" went the first question. The process of winning back the diaper vote had just begun.

Craig Brown

## Review for societies

Continued from page 1

Mr Mark Beale, the BSA director general, said last night that powers given to societies needed to be widened further to take account of competitive developments and the Financial Services Act.

High on the BSA's priorities will be the power for its members to offer unit trusts. The societies will also be looking at the possibility of acting as trustees for other unit trust groups.

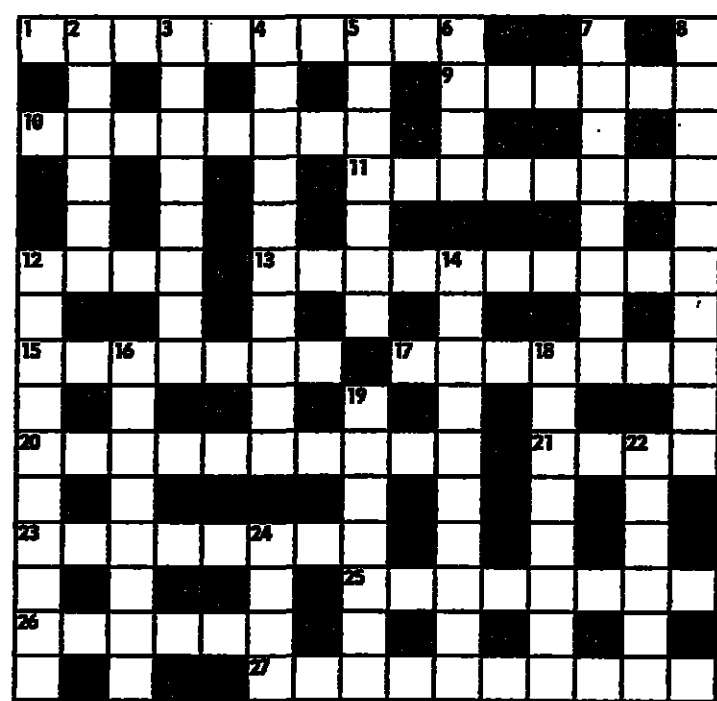
Mr Brian Whitfield, general manager (marketing) of the Nationwide Anglia, said societies should speak with one

voice on the question of underwriting life and other forms of insurance and then make up their minds on which ones they wanted to offer. Building societies cannot presently underwrite insurance policies. "We are constrained by what we offer our customers," he said.

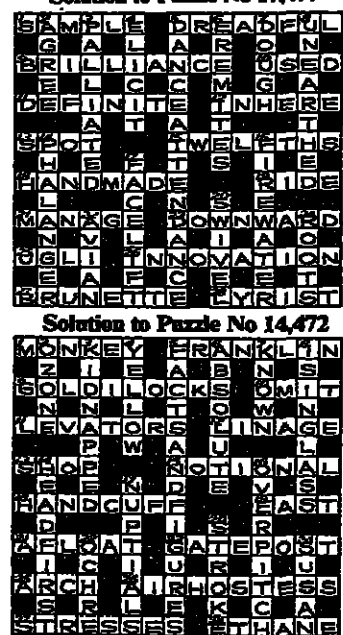
The Treasury has agreed to lay an order before Parliament this autumn to make it possible for building societies to give investment advice. The Building Societies Act enables them to give insurance advice but it is proposed that they will be able to give much wider advice.

### The Times Crossword Puzzle No 17,478

- ACROSS
- How dishonestly a bishop proceeds? (2,3,5).
  - Home-bird employed in US hospital (6).
  - Disgraceful batting noted (8).
  - It's quickly over edge, in record time (8).
  - Strong man discards odd pieces in clothing (4).
  - Transfer of power left you reportedly dividing loyalty (10).
  - Plant collected, we hear (7).
  - Carrier or merchant vessel (7).
  - Skates round enclosed place and balances (10).
  - Threatening is not fair (4).
  - Warning to port at night (3,5).
  - It comes in useful for a pot one's brewing (8).
  - Beautiful woman's comprehensive view (6).
  - Drudgery for fellow with vital job (6-4).
- DOWN
- Religious representative caught in union agitation (6).
  - Mooring rope for commander with fleet (8).
  - Top race in China (5,5).
  - Keep watch, say (7).
  - Expression of despair, in a sense, cut short (4).
  - Saint makes proclamation under peak (8).
  - Discourage - almost reject - the article as discourteous (10).
  - Opportunist in paper, always about right (4-6).
  - Celebrities divide up the main part (5,5).
  - Braces for boyfriends (8).
  - Bridge player with hand making unorthodox lead (8).
  - Sounds like this country's top scorer (7).
  - Deal too persistently with work-as (6).
  - Colour on target, or on shield (4).



Solution to Puzzle No 17,477



A prize of The Times Concise Atlas of the World will be given for the first five correct solutions opened next Thursday. Entries should be addressed to: The Times, Saturday Crossword Competition, PO Box 486, Virginia Street, London E1 9DD. The winners and solution will be published next Saturday.

The winners of last Saturday's competition are: Mrs T S Fookes, Woodcote Ave, Wallington, Surrey; Mr I Freeman, Fitzalan Rd, London N3; A Hodgkinson, Chiltern Close, Barton-on-Sea; New Milton, Hants; Mrs M Saunders, Mead Rd, Gravesend, Kent; M Starling, Laverockbank Terr, Edinburgh.

Name \_\_\_\_\_  
Address \_\_\_\_\_

Concise crossword, page 21

### WEATHER

Scotland will have a mainly dry day. After a bright start, northern England and Northern Ireland will become fairly cloudy with some rain. Over the rest of England and Wales sunny spells are likely, but showers will develop, some heavy and thundery later in the day. Warm in southern and western England and Wales, cooler on eastern coasts. Outlook: Thundery showers.

#### AROUND BRITAIN

Area	Temp	Wind	Cloud
London	14.2	12	12
Edinburgh	10.2	12	12
Cardiff	10.2	12	12
Belfast	10.2	12	12
Manchester	10.2	12	12
Liverpool	10.2	12	12
Sheffield	10.2	12	12
Nottingham	10.2	12	12
Leeds	10.2	12	12
Birmingham	10.2	12	12
Coventry	10.2	12	12
Southampton	10.2	12	12
Exeter	10.2	12	12
Bristol	10.2	12	12
Gloucester	10.2	12	12
Worcester	10.2	12	12
Hereford	10.2	12	12
Swansea	10.2	12	12
Cardiff	10.2	12	12
Belfast	10.2	12	12

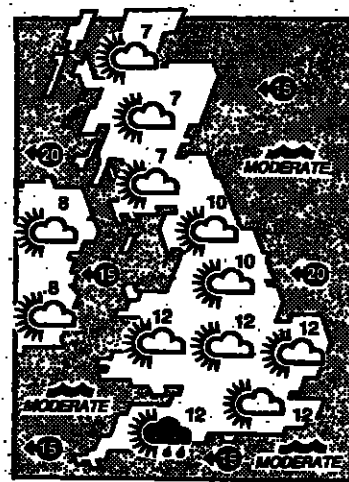
#### ABROAD

Area	Temp	Wind	Cloud
Algeria	20.2	12	12
Algiers	20.2	12	12
Amman	20.2	12	12
Ankara	20.2	12	12
Antwerp	20.2	12	12
Athens	20.2	12	12
Auckland	20.2	12	12
Austin	20.2	12	12
Bahia	20.2	12	12
Bangkok	20.2	12	12
Batavia	20.2	12	12
Bombay	20.2	12	12
Buenos Aires	20.2	12	12
Calcutta	20.2	12	12
Canton	20.2	12	12
Cebu	20.2	12	12
Colon	20.2	12	12
Dacca	20.2	12	12
Delhi	20.2	12	12
Dhaka	20.2	12	12
Disburg	20.2	12	12
Frankfurt	20.2	12	12
Glasgow	20.2	12	12
Hankow	20.2	12	12
Hong Kong	20.2	12	12
Kobe	20.2	12	12
Kuala Lumpur	20.2	12	12
London	20.2	12	12
Lyons	20.2	12	12
Manila	20.2	12	12
Medan	20.2	12	12
Meerut	20.2	12	12
Mumbai	20.2	12	12
Nagasaki	20.2	12	12
Osaka	20.2	12	12
Panama	20.2	12	12
Peking	20.2	12	12
Perth	20.2	12	12
Rangoon	20.2	12	12
Reykjavik	20.2	12	12
Rome	20.2	12	12
Singapore	20.2	12	12
Sourabaya	20.2	12	12
Taipei	20.2	12	12
Tientsin	20.2	12	12
Yokohama	20.2	12	12

#### HIGH TIDES

Area	Time	Area	Time
London	11.10	London	11.10
Edinburgh	11.10	Edinburgh	11.10
Cardiff	11.10	Cardiff	11.10
Belfast	11.10	Belfast	11.10
Manchester	11.10	Manchester	11.10
Liverpool	11.10	Liverpool	11.10
Sheffield	11.10	Sheffield	11.10
Nottingham	11.10	Nottingham	11.10
Leeds	11.10	Leeds	11.10
Birmingham	11.10	Birmingham	11.10
Coventry	11.10	Coventry	11.10
Southampton	11.10	Southampton	11.10
Exeter	11.10	Exeter	11.10
Bristol	11.10	Bristol	11.10
Gloucester	11.10	Gloucester	11.10
Worcester	11.10	Worcester	11.10
Hereford	11.10	Hereford	11.10
Swansea	11.10	Swansea	11.10
Cardiff	11.10	Cardiff	11.10
Belfast	11.10	Belfast	11.10

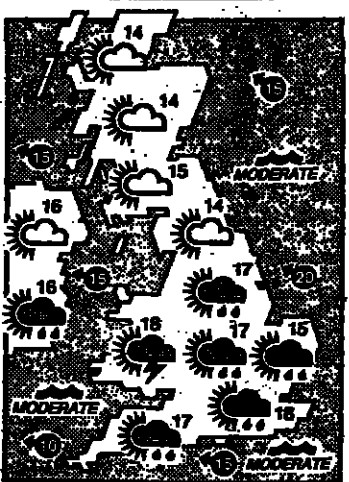
### AM



#### LIGHTING-UP TIME

Area	Time
London	7.05 am to 6.35 am
Edinburgh	7.15 pm to 6.45 am
Cardiff	7.14 pm to 6.37 am
Belfast	7.12 pm to 6.45 am
Manchester	7.25 pm to 6.50 am

### PM



#### YESTERDAY

Area	Temp	Wind	Cloud
London	12.50	12	12
Edinburgh	12.50	12	12
Cardiff	12.50	12	12
Belfast	12.50	12	12
Manchester	12.50	12	12
Liverpool	12.50	12	12
Sheffield	12.50	12	12
Nottingham	12.50	12	12
Leeds	12.50	12	12
Birmingham	12.50	12	12
Coventry	12.50	12	12
Southampton	12.50	12	12
Exeter	12.50	12	12
Bristol	12.50	12	12
Gloucester	12.50	12	12
Worcester	12.50	12	12
Hereford	12.50	12	12
Swansea	12.50	12	12
Cardiff	12.50	12	12
Belfast	12.50	12	12

#### LONDON

Area	Temp	Wind	Cloud
London	12.50	12	12
Edinburgh	12.50	12	12
Cardiff	12.50	12	12
Belfast	12.50	12	12
Manchester	12.50	12	12
Liverpool	12.50	12	12
Sheffield	12.50	12	12
Nottingham	12.50	12	12
Leeds	12.50	12	12
Birmingham	12.50	12	12
Coventry	12.50	12	12
Southampton	12.50	12	12
Exeter	12.50	12	12
Bristol	12.50	12	12
Gloucester	12.50	12	12
Worcester	12.50	12	12
Hereford	12.50	12	12
Swansea	12.50	12	12
Cardiff	12.50	12	12
Belfast	12.50	12	12

#### TODAY

Area	Time
London	7.04 am to 6.35 am
Edinburgh	7.15 pm to 6.45 am
Cardiff	7.14 pm to 6.37 am
Belfast	7.12 pm to 6.45 am
Manchester	7.25 pm to 6.50 am

#### TOMORROW

Area	Time
London	7.05 am to 6.35 am
Edinburgh	7.15 pm to 6.45 am
Cardiff	7.14 pm to 6.37 am



Executive Editor  
Kenneth Fleet

STOCK MARKET

FT 30 Share  
1872.3 (+11.4)  
FT-SE 100  
2382.2 (+8.4)

Bargains  
37884 (37996)  
USM (Datastream)  
224.33 (+1.3)

THE POUND

US dollar  
1.8215 (+0.0080)  
W German mark  
2.9860 (+0.0043)

Trade-weighted  
72.9 (+0.1)

## Rethink on Gas deal with Bow

British Gas and Bow Valley, the Canadian oil company, have been forced to reconsider the structure of an agreement reached last August giving British Gas 51 per cent, apparently due to opposition from Bow Valley's shareholders.

British Gas and Bow Valley yesterday said they were having further talks and would take account of shareholders' reaction. Under revised terms, Bow Valley would issue about 29 million shares to British Gas for Can\$20 a share, giving an immediate cash injection of Can\$580 million (£274 million).

But a new feature is that British Gas would buy further shares from Bow Valley investors for Can\$24 each, taking its stake to 51 per cent immediately.

Times, page 27

## Adwest up

Adwest Group reports pre-tax profits of £10.42 million for the year ended June, compared with £10.1 million, after a year of heavy reorganization. The total dividend goes up from 8.53p to 9.4p.

Times, page 27

## Brierley date

The Takeover Panel has given Brierley Investments and Compagnie du Midi until December 1 to resolve their battle for Equity & Law. It means that no new bid can be launched after November 17.

## SUMMARY

### STOCK MARKETS

New York	2837.73 (+1.47)
Tokyo	15842.45 (+140.71)
Hong Kong	3932.04 (+17.89)
Australia	3133.3 (+2.1)
Singapore	2241.3 (+22.7)
Frankfurt	2010.4 (+24.0)
Brussels	5126.5 (+15.3)
Geneva	410.0 (+2.3)
Zurich	504.70 (+26.70)
London	
FT All-Share	1121.32 (+8.35)
FT-100	1336.60 (+5.94)
FT Gold Mines	438.2 (+5.7)
FT Fixed Interest	55.18 (+0.07)
FT Govt Secs	55.86 (+0.07)

### MAIN PRICE CHANGES

Hill Samuel	794p (+89p)
Alpine	618p (+24p)
Johnston Group	645p (+20p)
James Dickie	203p (+43p)
Tate & Lyle	528p (+15p)
St Lee Group	148p (+12p)
Ferranti	1020p (+45p)
Polymark	58p (+11p)
Campani	306p (+19p)
Western Motor	557p (+7p)
ICI	1825p (+17p)
Kalor	555p (+11p)
Ultramar	313p (+14p)
AC Housing	424p (+14p)
AC Housing	1125p (+150p)
Warburg	580p (+35p)
FNPC	348p (+21p)

### FALLS

English China	567p (-12p)
GUS A	1385p (-24p)
British Dredging	237p (-39p)

### INTEREST RATES

London Bank Base	10%
3-month interbank	10 1/4-10 1/2%
3-month eligible bills	9 3/4-10%
buying rate	
US Prime Rate	9 1/4%
Federal Funds 7 1/4%	
3-month Treasury	8.68-8.67%
90-year bonds	9 1/4-9 3/4%

### CURRENCIES

London		New York
£1.8215		£1.8215
DM2.9860		DM2.9860
Swf2.4712		Swf2.4712
FFFr.5986		FFFr.5986
Yen237.14		Yen237.14
Index72.9		Index72.9
ECU20.985186		SDR20.786786

### GOLD

London Fixing	AM \$455.00 pm \$454.35
close	\$453.50-\$454.00 (\$279.50-\$280.00)
New York	
Comex	\$454.50-\$455.00

### NORTH SEA OIL

ent (Nov) pm \$18.70bbl (\$18.60)			
Denotes latest trading price			
Foreign Exch	26	Comex	27
Money Mkts	26	Comex	27
Stock Markets	26	Commodities	28
Bank Issues	26	Unit Trusts	28
Traded Opts	26	USM Prices	28
Wall Street	26	Share Prices	29

## £777m deal ends months of turbulence at merchant bank

# TSB buys Hill Samuel

By Cliff Feltman  
Hill Samuel yesterday ended its long role as one of Britain's leading independent merchant banks and agreed to a £777 million takeover bid from the TSB Group.

The deal ends months of turmoil at Hill Samuel, which has been hit by top-level resignations and sackings and unsettled by constant takeover rumours.

Both TSB and Hill Samuel stressed that the bank would not be cannibalized - even though Wood Mackenzie, its stockbroking arm, is to be sold, and separate talks aimed at selling the corporate finance department to Barclays de Zoete Wedd, the securities firm, broke down at the eleventh hour. There still appears a question mark over the department.

The deal will give huge profits to two Australian entrepreneurs who bought Hill Samuel shares in the hope of seeing a takeover bid. Mr Larry Adler stands to pocket around £52 million from the sale of his shares, and Mr Kerry Packer has made a profit of £35 million. The merger will create a group valued at almost £3 billion and provide TSB with its long-awaited acquisition of a leading financial services business.

TSB, with its unit trust and finance house operations and huge base of 7 million customers, will have its own in-house merchant bank and a major international investment business including insurance-broker and shipping services. It will be the leading force in unit trusts.

TSB is digging into the vast pile of cash built up by last year's flotation to offer 810p a share. It has already been able to tack almost 30 per cent of the Hill Samuel shares under its belt. These include shares formerly belonging to Mr Packer, who is taking the money for his 13 per cent stake, and a number of leading institutions who are also accepting.

There were indications that



Getting together: Sir Robert Clark (left), of Hill Samuel, and Sir John Read of TSB

Mr Adler's FAI Insurance is also prepared to accept the terms for its 14.7 per cent shareholding. Hill Samuel shares, suspended on Thursday because of speculation that a bid was imminent, returned with a jump to 794p, up 89p.

Hill Samuel has been in

various takeover talks aimed at finding the financial muscle to compete in the increasingly fierce and competitive world of investment banking.

The deal had hardly been struck before the market began speculating over the likely buyer of Wood Mackenzie, acquired at a cost of £20 million just 16 months ago, in preparation for Big Bang. The name hotly tipped last night was Morgan Guaranty, the big American investment house.



Clark: can cash in

At the same time Hill Samuel

Swete dismissed



Swete dismissed

was also involved in negotiations with Barclays Bank over the sale of the corporate finance division.

However, late on Thursday night talks broke down over what Mr David Davies, Hill Samuel chief executive - the man brought in to map out a future strategy for the troubled bank - described as a "point of principle. It was nothing to do with price."

Last night Barclays said the dispute arose over the apparent intention of Hill Samuel to keep a small corporate finance unit to enable it to retain membership of the crucial Accepting Houses Association. Barclays had no desire to buy out a competitor only to see it set up in opposition again. There was also a legal hiccup caused by Hill Samuel's wish to be indemnified in the event of any of its corporate clients suing for breach of contract after the takeover.

Sir John Read, TSB chairman, said yesterday: "In no way is this a carve-up or a clearance sale. We are making a bid for the whole of Hill Samuel. It is a super fit."

But in addition to selling Wood Mackenzie the TSB will close or sell Hill Samuel's loss-making Eurobond operation. Three Hill Samuel executives join the board of TSB - Sir Robert Clark, Mr Davies, and finance director Mr Dolf Mothout, finance director.

Hill Samuel has been through a difficult period. Last month Mr Trevor Swete, its corporate finance head, and his deputy Mr Christopher Roschier were dismissed for allegedly negotiating the sale of the department to Barclays de Zoete Wedd without telling the board.

Earlier in the year the group was in takeover talks with Union Bank of Switzerland, and later Saatchi & Saatchi. In July, Hill Samuel was rocked by the resignation of Mr Christopher Castleman, its chief executive, who opposing the talks with UBS.

Comment, page 27  
Family Money, page 33

## Plessey director resigns in wake of GEC link-up

By Edward Townsend  
Industrial Correspondent

Sir James Blyth, managing director of Plessey, resigned yesterday, less than 24 hours after the company and GEC revealed plans to merge their telecommunications businesses.

Sir James, whose role at Plessey was created for him by Sir John Clark, the chairman and chief executive, was said to be leaving "by mutual agreement to pursue other interests."

Rumours of a boardroom split at Plessey, with Sir James said to be upset by Sir John's reluctance to devolve more power to the managing director, were vigorously denied by a Plessey spokesman.

Sir James said: "I leave Plessey with considerable regret since it is a company in whose people, products and future I have great confidence."

Sir John and Lord Weinstock, GEC's managing director, have put the final touches to their statement of intent to merge the two companies' telecommunications operations, creating a business with assets of £600 million and sales approaching £1.4 billion.

What part Sir James played in the initial negotiations is not yet clear, but a continuing rift between him and Sir John could have been detrimental to Plessey's position in detailed negotiations over the make-up of the new company.

Plessey said that with immediate effect the company's three divisional managing directors, who previously reported to Sir James, would be joining the executive committee of the board and be responsible to Sir John.

They are Mr David Dey, head of Plessey's telecommunications business, and tipped to succeed Sir James, Mr Vivian Butler and Mr Alan Jones, who are joined by Mr Stephen Walls, the director of finance, on the executive committee.



Sir James Blyth: 'regret'

The joint venture represents a greater shift in emphasis for Plessey than for GEC. Plessey's telecommunications business accounts for 45 per cent of sales and 36 per cent of operating profits and the GEC tie-up will allow greater concentration on expanding its defence interests and the American electronics market. To achieve the 50-50 balance of interest in the new company, it is understood that GEC will pay Plessey about \$45 million cash.

Another factor in Sir James's departure may have been the indications that GEC would provide the senior management of the joint company. Both companies stressed that the directors of the new company would be appointed equally and that the new board would appoint a managing director. Strongly tipped for the job, however, is Mr Richard Reynolds, the Coventry-based managing director of GEC Telecommunications.

Sir James, aged 47, joined Plessey in November 1985, and played a leading role in the company's successful battle against GEC's £1.2 billion takeover bid. He joined Plessey to run the electronics systems division after four years as head of defence sales at the Ministry of Defence and was appointed managing director by Sir John in February 1986.

## Clydesdale disciplines two after share-dealing probe

By Colin Nairnrough

Clydesdale Bank, a Scottish subsidiary of Midland Bank, has dismissed one senior official and censured another for breaches of staff rules on share dealing, a Midland spokesman said yesterday.

Disclosure of the "in-house" disciplinary action at the Glasgow-based clearer comes as Midland prepares to transfer ownership of the bank later this month to National Australia Bank, whose £390 million purchase was last month given the go-ahead by Lord Young of Griffitham, Secretary of State for Trade and Industry.

The two Clydesdale officials, both understood to hold positions above the rank

of head of department, are expected to take their cases to internal appeal, probably next week. Until then the bank will not reveal their names.

The bank has informed the regulatory authorities - the Stock Exchange, Department of Trade and Industry and Bank of England - but it was unclear whether the regulators intended to launch a full-blown inquiry.

Clydesdale had had no indication yesterday that an official probe would be mounted in addition to its in-house inquiry.

While the bank underlined that the cases were being treated strictly as breaches of its internal code of conduct,

the line between such misconduct and the criminal offence of "insider dealing" - trading in shares on the basis of privileged information - is often hard to draw.

The SE acknowledged that it had been notified and that it was looking into the matter. The DTI, however, declined all comment on the Clydesdale affair, merely confirming that the department has in progress six insider dealing investigations under the terms of the Financial Services Act, two probes conducted by DTI officials and 40 cases under consideration.

The Clydesdale cases came to light through the bank's own monitoring system.

## Share case sentence postponed

Sentence on an unemployed man who stood to gain £100,000 from 55 bogus applications for British Airways shares was postponed yesterday until the Lord Chief Justice lays down guidelines in the wake of the Best case.

Lord Lane, the Lord Chief Justice, is presiding over the appeal by the former Conservative MP, Keith Best, who became the first person to be jailed for making multiple share applications, and is expected to lay down sentencing guidelines on Monday.

Mr Justice Mars-Jones, sitting in the Central Criminal Court, told Mr Khalid Ahmed, whose applications included one in the name of Miss Angela Rippon, a broadcaster, and one as Mr Peter Falk, an actor, that he wanted "to hear what falls from the Lord Chief Justice's lips."

Mr Ahmed, aged 21, of Nuneaton, Warwickshire, was £60 overdrawn when he wrote checks for £147,875 seeking more than 200,000 shares.

Mr Ahmed, who was granted £5,000 bail, had admitted five sample counts of attempting to obtain shares by deception and one of obtaining 250 shares. He also admitted a charge of forgery.

Best was jailed for four months, fined £3,000 with £1,500 costs, after being found guilty.

## SE notice system reviewed

By Michael Clark

The Stock Exchange is reviewing its security procedures for public announcements made by companies after receiving a bogus message purporting to come from Quest Group, a computer products supplier from Southampton.

The announcement, thought to have been delivered from a British Telecom telex office, claimed Quest had been awarded a £40 million contract to supply Russian companies with electronic conveyor belt machinery which would add 40 per cent to the company's net asset value.

It said the company had been forced to make the announcement to correct rumours that had been circulating in the City.

The news added 14p to the Quest share price at 191p but came as a shock to people in the market, including the company's own stockbroker Nivison Cantrade which quickly informed Stock Exchange officials that the announcement was bogus.

Quest immediately asked the Stock Exchange to look into the matter. Its shares were suspended and will remain frozen until an inquiry into all bargains transacted after 10.20am, when the announcement was first transmitted on CNS, the market's electronic noticeboard, is completed.

The most common way for companies to contact the Stock Exchange to make public announcements is by hard copy delivered by messenger.

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## Europe's biggest security printer sold for £45m

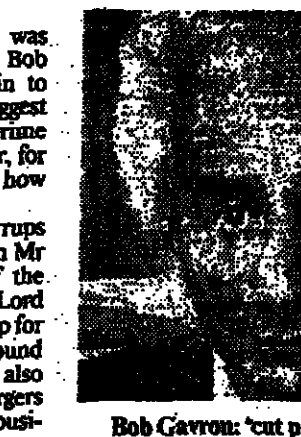
# Burrups goes to St Ives Group

By Michael Tate

While Mr Robert Maxwell's back was turned in Blackpool this week, Mr Bob Gavron's St Ives Group nipped in to snap up Burrups, Europe's biggest security printer and one-time prime target for the Daily Mirror publisher, for £45.1 million. That, anyway, was how Mr Gavron put it yesterday.

Mr Maxwell was keen on Burrups when it was part of Eitel and was, in Mr Gavron's words, "in and out" of the picture once Eitel's new owners, Lord Stevens' United Newspapers, put it up for sale. But his interest waned. He found other distractions, but possibly also concluded that the lucrative "mergers and acquisitions" security printing business had peaked.

Mr Gavron concurs although it does not bother him. It helped him cut Lord Stevens' £65 million asking price by £20 million, to a level that values Burrups at only 16 times earnings. His offer just topped the management's own buy-out offer, but says Mr Gavron, "we convinced them we were the second best option". Mr Gavron, aged 56, is a convincing man. He has the light touch of one who has total confidence in his own ability and an ease with words that suggests he would have made a success of the legal career he shunned.



Bob Gavron: 'cut price by £20m'

Burrups may have lost market share last year while Eitel's future was uncertain but it is the biggest security printer outside New York. Its link with a leading web offset group gives it the facility to print even the largest share issue prospectuses in-house. Mr Gavron boasts he has created "a uniquely powerful presence" in this market. He is also delighted to have Burrups' special

products division, printer of the insert leaflets which, as Mr Gavron puts it, "you shake out into the wastepaper basket every time you pick up a magazine". St Ives, he says, prints 500 magazines such as TV Times, Company and Elle.

St Ives is second in Britain's magazine printing league. But it is number one in books. It recently picked up the Penguin and Pan contracts, worth £14 million over the next four years. "The opposition was in disarray," says Mr Gavron. "Publishers are shying from our rivals like British Printing & Communication Corporation and William Collins, because they don't want to deal with other publishing groups."

St Ives's share price hit £10 yesterday, valuing the business at £320 million just two years after being floated with a price tag of £18.3 million. Mr Gavron will still have 16 per cent, worth £51 million, after the two-for-nine rights issue, at 850p, that will pay for Burrups. Most share prices fall on rights issues, but then not everyone accompanies them with a 41 per cent profit increase to £13.77 million, as St Ives did yesterday. Mr Gavron does not yet know his own strength.

## Reserves rise \$380 million

By David Smith, Economics Correspondent

Britain's gold and foreign currency reserves rose by \$380 million (£235 million) last month, reflecting action by the Bank of England to hold down the pound.

The rise in the reserves, after a fall of \$457 million in August, was in line with the Government's policy of managing the exchange rate.

The actual rise in the reserves last month was \$443 million, to \$34.81 billion (£21.08 billion), just below the peak level of \$34.92 billion recorded in July.

The \$380 million Septem-

ber rise in the reserves does not include very recent action by the Bank of England to hold sterling below DM3.

The reserves figures are for the end of the month but there is a two-day settlement period, so the cut-off for the September figures was on the 28th.

This was before the intervention last Tuesday and Wednesday, when the Bank took the unusual step of making it known that it was actively intervening to keep sterling down.

There has been speculation that the Treasury and the

Bank have moved to a very narrow range for sterling against the mark, with an upper limit of DM3, and a lower limit of DM2.94-2.95.

But Treasury officials said this week that the ranges for sterling were unchanged on those agreed in Paris last February, which may imply a sterling range against the mark of DM2.80-3.00.

Conditions were quiet in the currency markets yesterday. A fall in the US civilian unemployment rate from 6 per cent to 5.9 per cent produced some light dollar selling.



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## STOCK MARKET

## Dealers expect MFI sell-off soon

By Geoffrey Foster

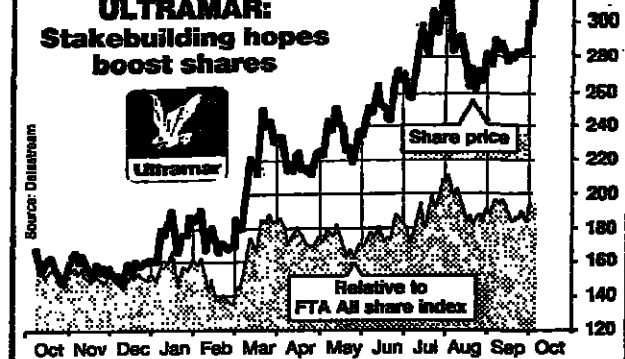
Whispers in the market last week were suggesting that the sale of ASDA-MFI's furniture business and its Allied Carpets division to a management team, led by old MFI chief Mr Derek Hunt, had at last been signed and sealed and will be announced to a waiting public early next week.

Shares of ASDA-MFI, which have been strongly supported throughout the week on speculation that a deal had finally been thrashed out, eased 4p to 206p during the course of a trade of nearly 7 million shares. Some speculators apparently had become nervous ahead of the weekend and liquidated their positions in the absence of any news, but will surely be kicking themselves when the news breaks along with a significant re-rating of ASDA's share price.

However, Mr Derek Hunt and the ASDA board are said to have finally agreed on a figure of £710 million for the MFI furniture and Allied Carpets businesses. This is much higher than was at first envisaged when ASDA-MFI announced that they were to be sold in July.

It was thought that ASDA-MFI would have to take an effective loss on any deal, with a figure of £500 million to £550 million being touted at the time as being the probable sale price for MFI, so the ASDA board must be particularly pleased with itself, having acquired the MFI business for £615 million two years ago.

The rest of the market ended the week on a quiet



previous week, amid stakebuilding talk. Nearly 3 million shares changed hands as stories continued to circulate that News Corporation, Mr Rupert Murdoch's international media group, was busy acquiring further shares in the company.

Recently, it was announced that News Corporation had a 2.5 per cent interest in Reed and ever since the market has hoped that Mr Murdoch would increase this.

Ultramar, the oil group in which Mr Ron Brierley, the New Zealand entrepreneur, holds a near-13 per cent stake, jumped 14p further, to 313p, as various stories continued to do the rounds.

The most popular was that Mr Brierley was busy picking up lines of stock before launching a full-scale offer for the company, while another was that the Brierley brothers were doing exactly the same.

An Ultramar spokesman late yesterday refused to comment on the reports, but was quick to point out that the company is one of only a few

before closing 5p up at 589p, while Hambros moved up 7p to 372p.

Morgan Grenfell, meanwhile, closed only 1p better at 589p. The shares have been strongly supported this week on speculation that Mr Robert Holmes & Court was on the verge of bidding for Willis Faber, the Lloyd's broker, in order to get his hands on its 20 per cent stake in Morgan Grenfell. He would then turn his attentions to MG.

Willis Faber closed the session 5p easier at 425p after profit-taking.

Investors were out in force, acquiring Plessey and GEC, two of Britain's largest electronics companies, as they gave the thumbs up to the £600 million merger of their telecommunications businesses.

News of the joint venture, which will create a company

with a 15p rise to 425p on turnover of more than 4 million shares. Brokers claim it is still vulnerable to a bid, calling it the ideal "break-up" situation.

Speculation increased on talk that a leading securities house told its dealers not to trade the shares.

With annual sales of more than £1.2 billion, induced strong support of both shares and the group in the shape of a £200 million tanker order from Saudi Arabia.

Calor, the bottled gas group recently floated from the dismembered ICI, jumped 24p more — making a three-day advance of 105p — to a peak of 573p.

Still among electricals, Ferranti, Britain's second largest computer manufacturer,

## WALL STREET

New York (Agencies) — Share prices were little changed in early trading yesterday.

The Dow Jones industrial average was 2.61 points lower at 2,636.59. Declining issues

were in balance with rising ones. IBM continued its recovery, gaining 1% to 156 in active trading. Open fell by 1% to 35%. On Thursday, the Dow average jumped by 42.92 to 2,639.20.

AMR Co	56%	56%	Firestone	47	48%	Papago	49%	28%
ASATA Inc	60%	60%	Fit Chicago	50%	28%	Phar	49%	35%
Aspen	59%	59%	Fit Inc B Corp	52%	10%	Phar Corp	50%	10%
Aspiral	59%	59%	Fit Inc B Corp	52%	10%	Phar Corp	50%	10%
Aspiral	59%	59%	Fit Inc B Corp	52%	10%	Phar Corp	50%	10%
Aspiral	59%	59%	Fit Inc B Corp	52%	10%	Phar Corp	50%	10%
Aspiral	59%	59%	Fit Inc B Corp	52%	10%	Phar Corp	50%	10%
Aspiral	59%	59%	Fit Inc B Corp	52%	10%	Phar Corp	50%	10%
Aspiral	59%	59%	Fit Inc B Corp	52%	10%	Phar Corp	50%	10%
Aspiral	59%	59%	Fit Inc B Corp	52%	10%	Phar Corp	50%	10%
Aspiral	59%	59%	Fit Inc B Corp	52%	10%	Phar Corp	50%	10%
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# Guinness sets up offshoot after decision not to move

By Colin Narborough

Guinness, the drinks and leisure group striving to overcome the turbulence created by its former chairman, Mr Ernest Saunders, has decided to stay in London and not honour a pledge to move its headquarters to Edinburgh.

"The head office will remain in Portman Square," said a statement issued yesterday, which was guaranteed to cause widespread anger in Scotland.

But to counter any claims that the group was ignoring Scottish interests, Guinness said it would set up a new whisky arm, United Distillers.

to be based in the Scottish capital. The Guinness board had pledged to relocate its headquarters to Scotland during the acrimonious takeover battle for Distillers last year.

Guinness has come under fire from Scottish MPs for dragging its feet on relocation since Mr Saunders was dismissed, and the announcement drew immediate criticism from Mr Alex Salmond, deputy leader of the Scottish Nationalist Party.

"The board of Guinness have reneged on an inescapable commitment," he said, adding that the establishment

of a subsidiary in Scotland to control the whisky trade was "small consolation," given that three-quarters of the group's trading profits were generated from Scottish interests.

Guinness said the board agreed unanimously that it would not be in the best interests of the company to move the 120 people involved at Portman Square.

It noted that the office of Sir Norman Macfarlane, the chairman, had been established at Distillers House in Edinburgh, which would become the registered office of United Distillers. This would

include the Distillers Company and Arthur Bell & Sons. Sir Norman said United Distillers, a result of reorganization of the group's whisky business at home and abroad, had a "very promising future."

He noted that the management of the group's whisky production was centred in Edinburgh.

"Guinness is very strongly committed in Scotland and already has substantially increased the amount of local decision-making," he said. Almost £20 million had been committed in Scotland in the past nine months.

## Bunzl set to spend \$13m on Techmet

Bunzl, the acquisitive paper distribution and plastics company, is buying Techmet in the United States for \$13.2 million (£8 million).

Techmet manufactures a wide range of laser-based, non-contact measuring devices and systems which complement Bunzl's Filtrona division's range of tape and gauging equipment.

The US company is expected to make pretax profits of about \$2 million in the year ending December 31.

## S&F sells

Singer & Friedlander, the banking group, is selling various investment properties for £26 million to Burford Group, the property investment and trading company. The purchase will be paid for with £20 million cash and the balance by the issue of Singer of 1.8 million new Burford shares.

## Polymark up

Polymark International, supplier of laundry equipment, labelling systems and agricultural machinery, made pretax profits in the half year to end-June of £553,000, up 74 per cent over the previous first half, on sales 34 per cent higher at £15 million.

## WCRS buy

WCRS, the advertising and communications group, has agreed to buy Corporate Graphics Corporation, a leading American design business specializing in company reports, for \$6.5 million (£2.5 million) with more to follow if certain profit targets are met.

## Capel retained

S&W Berisford, which is on the receiving end of a hostile £767 million bid from Associated British Foods, has appointed James Capel as its lead stockbroker. It is retaining the services of Greenwell Montagu, its usual broker, but is adding the firepower of James Capel's corporate finance department.

## COMMENT Kenneth Fleet

# After the TSB whither Wood Mackenzie?

Hill Samuel, having lost its innocence and in danger of losing its way, is being led safely out of the wood by the TSB, a bank with both ambition and a convenient board of cash. Spare a thought for Hill Samuel. A merger of Philip Hill, a hungry West End house, and M Samuel, a flaking family pillar of the City's accepting house establishment, Hill Samuel was with SG Warburg the invigorating wind of change that blew through dusty merchant banking parlours in the 1950s and early 1960s. It is not the first leading merchant bank to lose its independence and in the fall-out from Big Bang, it will not be the last.

While the TSB's bid might be viewed with some misgivings at Hill Samuel, it is a cause for celebration at the TSB. For a jubilant Sir John Read, it is a second coming. His first apotheosis came at EMI when, through the success of brain and body scanners, the company stood, all too briefly, on top of the world. The risks in domestic merchant banking are mercifully less than in medical electronics.

In fact the TSB-HS deal might almost have been made in heaven. It stops speculation about what the TSB might do with its extraordinary windfall; it brings the TSB a very large, and successful, fund management business; it provides the TSB with an organization to which it can send its corporate clients for financial advice; and it can inject capital on the scale Hill Samuel needs to expand.

Significantly, the one Hill Samuel activity the TSB does not want is the securities business of stockbroker Wood Mackenzie and market-making in gilt-edged stocks of Hill Samuel Wood Mackenzie (Sterling Debt). It seemed unnecessarily hasty for Sir John to hang the "for sale" notice over Wood Mac's door, even less intelligent to describe Wood Mac as "the one problem area." But he has read the writing on the Stock Exchange door correctly. Market-making is not the simple business many financial conglomerateers thought: in gilt it is too hazardous, in equities too

competitive and in both it is a big money game. Put another way, before Big Bang there were two big jobbing firms in the London market, Wedd Durlacher and Akroyd & Smithers. One was taken by Barclays to form part of BZW, the other by Warburg. How wise they were and how successful they are proving to be.

One day, the third jobber in the old regime, Smith Brothers, presently enjoying semi-independent status, will surely form part of another major force in the market. Indeed, if some leading American or European bank, or even Lloyds, wanted to leap majestically to a prime position in the securities business, it would bring both Smith (with NM Rothschild's consent) and Wood Mac within its orbit.

## Morgan Stanley

It is, however, more than likely that Wood Mac is destined for Morgan Stanley, the quietest but one of the most effective Wall Street investment banks operating in London. Morgan Stanley rarely makes acquisitions although it did offer to buy Greenwell Montagu from the Midland as part of its strategy of improving its position in the London equity market. Morgan appears still to be reluctant to become a primary dealer in the gilt-edged market although that attitude may change.

For Wood Mac, one of the outstanding broking successes since the Second World War, it is vital to keep its talented and highly-rated team together. As independence is not a feasible proposition, it needs to be taken over by a bank with ambition, an international dimension and the capital resources Hill Samuel lacked. Wood Mac has a powerful Scottish connection and has dipped its toes in New York and Tokyo. But one of its greatest assets, created and nurtured by John Chien, is an *esprit de corps*—so rare in the City now that it is almost a collector's item. Wood Mac is unlikely to remain available for long.

## Royal road to capitalism

The jury is still out on the Royal Insurance group's *blitzkrieg* of the unit trust market. At this stage the company is still counting mounds of applications. But it is probable that Royal has attracted the set minimum of £300 million from unit trust investors drawn by the privatization-style hype of its "Royal Event".

The outcome will not be revealed until Tuesday. Royal is reticent about its own best expectations but some say, having seen the pile of mailbags, it hopes to gather in closer to £700 million when all of them have been opened. Anything within hailing distance of that would be remarkable—far beyond Royal's stated commercial objective to establish itself as a sizeable player in the unit trust business.

It would rank as the first significant indication, outside the privatization issues, that average British families have developed a formidable appetite for equity investment. There are no giveaways or bonuses attached to the Royal offer. It consists of standard unit trust products of the kind that have been readily available from many unit trust management companies for years.

The Royal event may prove to be a freak success. But if the forecast result of the campaign, which cost £5.9 million in media advertising, is anywhere near the mark, there is a huge untapped market out there waiting for those willing to attack it.

skilfully. The Royal Event, remember, has had to compete for attention with the ubiquitous BP share sale whose imminence has apparently not deterred private investors from going for another long-term investment. Sid has either become richer or there are many more Sids than we thought. It may be a sobering thought for the comrades as they wend their way back from Brighton, but the day when there are more shareholders than trade unionists in Britain is closer than anyone, other than the Chancellor of the Exchequer, thought.

It is not too fanciful to think that the Royal event might have some implications in the field of corporate finance. Britannia Arrow recently paid more than £40 million for a unit trust group with £300 million of funds under management. Royal has pulled more than that for a fraction of the cost.

If the technique can work for unit trusts, why not for ordinary shares? Traditionally companies seek whole-sale equity funds. In time, might they not launch open offers of shares to small savers up and down the land? Provided there is a claw-back facility to protect the pre-emptive rights of existing shareholders, there should be few grumbles from institutional investors.

If the obvious problem—cost—is overcome, we might see people's capitalism in a far more robust form than the fair-weather variety we have today.

## COMPANY NEWS

### Parrish interim

An interim dividend of 1p is being paid by Parrish for the six months to July 31. Turnover reached £5.9 million (£50,000), while pretax profit rose to £993,000 (£13,000). Earnings per share were 10.87p (0.2p).

### Parkfield Group

Parkfield Group has acquired Hollywood Nites, a merchandiser of pre-recorded video cassettes and compact discs to the retail trade. The initial consideration is £1.5 million. A further consideration of up to £5.9 million may become payable, provided certain levels of profitability are achieved over a four-year period ending April, 1991.

### UPL Group

The UPL Group has conditionally agreed to purchase Robinski & Co and its subsidiary, Andrews Delicacies, for £1.25 million. Robinski is a distributor of food products to delicatessens and similar outlets and supplies about 2,000 customers throughout Britain. It is based in North-west London.

### T Cowie buy

T Cowie has bought the business assets of Reliance Leasing for an initial consideration of £3 million cash. This will be adjusted by any increase or decrease in the value of net assets being acquired, as revealed by accounts to be prepared at the completion date. The maximum adjustment is not expected to exceed £350,000. Reliance carries on a business of volume vehicle contract-hire. This acquisition adds 2,600 vehicles to the group's fleet in the sector.

### Metsec pays more

Metsec is raising its interim dividend for the first half of this year to 1.6p (1.3p). Turnover rose to £11.24 million (£7.59 million) and pretax profit to £903,000 (£602,000). Earnings per share were 4.55p (3.02p). The board reports that the excellent performance should continue as healthy order books exist and the market remains buoyant.

### Dividend raised

Throgmorton Dual Trust is lifting its final dividend from

3.25p to 3.5p for the year to July 31. This raises the total from 4.25p to 5p. Gross revenue climbed to £1.98 million (£1.07 million), while pretax revenue more than doubled to £1.69 million (£654,000). Earnings per share were 6.47p (4.40p, adjusted).

### Carless, Capel

Carless, Capel and Leonard has acquired C and M Property Investment and its subsidiaries, Quest Petroleum Retail Estate, for £1.49 million. Quest and Enrico distribute automotive fuels and heating oils throughout the West and North Midlands from their own terminals at Stoke-on-Trent and Telford. They also supply petrol under the Enrico and Quest brand names to 65 independently-owned retail petrol stations.

### Sintrom ahead

Sintrom is paying an interim dividend of 0.75p (same) for the six months to June 30. Turnover was £9,257 million (£8 million) and pretax profits £603,000 (£589,000). Earnings per share were 4.4p (4.2p).

## BASE LENDING RATES

ABN	10.00%
Adam & Company	10.00%
BCCI	10.00%
Consolidated Credit	10.00%
Co-operative Bank	10.00%
C. Hoare & Co	10.00%
Hong Kong & Shanghai	10.00%
Lloyds Bank	10.00%
Nat Westminster	10.00%
Paribas Bank of Scotland	10.00%
TSB	10.00%
Citibank NA	10.00%

## Japan's surplus shrinks

From David Watts, Tokyo  
Japan's current account surplus shrank in August and while exports still increased imports were up a strong 29.8 per cent.

The current account surplus fell to \$5,305 billion (£3,295 billion), according to the Ministry of Finance.

Exports for the month totalled \$17,177 billion, up 3.3 per cent, and imports \$10,971 billion, leaving a trade surplus of \$6,206 billion.

The Ministry said sales of American bonds for profit-taking were responsible for a \$1.37 billion deficit in the long-term capital account balance.

Seasonally adjusted, exports in August were down 0.1 per cent from the previous month to \$18,639 billion while imports rose 8.2 per cent to \$11,870 billion.

This resulted in a trade surplus of \$6,768 billion compared with \$7,677 billion in July.

The Ministry said August recorded the fourth consecutive year-on-year drop in the current account surplus.

## Hanson to sell US shoe firm

By Colin Campbell

Hanson Trust—a master at buying conglomerates at one price, only to sell off parts and reaping the original outlay—is considering offers for the Endicott Johnson footwear group in the United States.

There have already been several approaches to Hanson Industries, the US arm headed by Sir Gordon White, and Hanson has agreed to pursue discussions with interested buyers.

Endicott Johnson, with more than 500 retail outlets and its own manufacturing capacity, has, in common with other footwear groups, been caught up by the flat consumer spending patterns in the US domestic footwear industry and heavy price competition. It reported significantly reduced profits in its 1986 financial year.

The shoe operations came into the Hanson fold in 1981 through the acquisition of the MacDonough group, for which it paid £74 million. The ready-mixed concrete part of that group was then sold off for £25 million and, with the footwear operation up for sale, Hanson will be left with only the profitable hand tools division.

Sir Gordon earlier this week announced the sale of Han-



Sir Gordon: open to offers for Endicott Johnson

son's Kaiser Cement San Antonio plant in Texas for \$15.5 million cash and notes. Kaiser intends to concentrate on the California market.

The plant ran up a pretax loss of \$4.2 million in the 1986 financial year on sales of \$13.4 million.

Hanson Industries acquired

Kaiser Cement for \$250 million in March this year and shortly afterwards sold the Montana City plant, five north-west terminals and recently agreed to sell its stock interest in Indonesia.

The sale of the San Antonio plant brings proceeds from Kaiser Cement disposals to about \$91.5 million.

## Concorde Energy loses £1.7m at half time

By Cliff Feltham

Concorde Energy, the oil and gas exploration company, turned in a loss after tax of £1.7 million in the opening six months of the year. Previously it had just broken even. But the board says the company's financial position has been improved by management action.

Concorde is paying £7.5 million for Great Lakes Properties which owns and operates the Del Amo field in

Torrance, California, close to Concorde's existing field. The deal will double Concorde's current production and increase its proven reserves by more than 50 per cent. The finance for the acquisition and development work will be raised by an open offer to shareholders to bring in £13.1 million.

The issue is on the basis of two new shares at 78p for every seven already owned.

## Queens Moat buys hotels for £22.3m

Queens Moat Hotels is making two further hotel acquisitions in Europe for a total of £22.3 million. It is buying the Holiday Inn at Mannheim, West Germany, and a majority shareholding in the Swire Hotel at Antwerp, Belgium, for £6.2 million and £16.1 million respectively.

Both will be financed in local currencies at local rates of interest through a £250 multi-option loan facility.

## Candover financing for £205m buyout at ANZ

By John Bell, City Editor

Candover Investments has arranged a £205 million financing package for the management buyout of Australia and New Zealand Banking Group's British agricultural finance and leasing operations. The new company that acquired these activities is called Humberside Investments.

Equity finance of £45 million was put up by staff and institutions via Candover,

which also arranged a further £160 million to refinance Humberside's loan book.

The activities that make up Humberside's business are expanding rapidly. In the 12 months to September 1986, profits were £2.3 million. Profits in the financial year just ended are put at about £5 million. The new chairman of Humberside is Mr George Duncan, a former director of Lloyds Bank.

## Warburg board changes

SG Warburg Group, the merchant bank group, has appointed three vice-chairmen in a series of promotions. They are Lord Garmyle, Mr Wierman van der Wyck and Mr Peter Wilnot-Siwell.

Mr Peter Hardy, Mr Derek Higgs and Mr Nick Verry join the main board.

Lord Garmyle and Mr van der Wyck also became joint chairmen of SG Warburg and Co, the merchant bank, with Mr Oscar Lewishohn as their deputy chairman.

Lord Garmyle joined SG Warburg and Co in 1979 as an executive director and has responsibility for corporate finance. Mr van der Wyck joined in 1969 and is responsible for general banking and co-ordination of international activities.

Mr David Brooke has been appointed deputy chairman of Warburg Securities and Mr Hugh Stevenson takes a similar post with SG Warburg Group Management.

## How Bow Valley shareholders took on British Gas and won

Strange as it may seem, there are no dominant shareholders in Bow Valley other than British Gas, which has quietly built up a stake of 2 million shares. Yet the shareholders have managed to rearrange British Gas's deal with Bow Valley to their considerable advantage.

If the revised deal is approved close to its present form, the Bow Valley shareholders will have managed to sell 14.4 million of their shares to British Gas now for Can\$24 a share, Can\$45 above the market price, while being given warrants to acquire 20 million shares in 1990 and 1992 at Can\$20 a share.

Under the original deal, British Gas would have invested Can\$1.38 million (£650 million) in Bow Valley in two stages—Can\$575 million immediately for the issue of 28.75 million new shares at Can\$20 each, and Can\$800 million in 1990 for the issue of a further 33.3 million new shares at Can\$24 each.

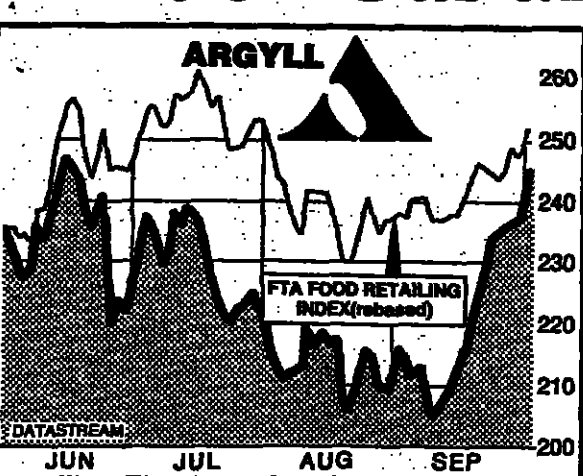
Under the new deal, British Gas will still be paying out Can\$1.3 billion, but it will need to find another Can\$350 million or so immediately for the existing shareholders who want to sell out at Can\$24 a share, and the later instalments will be reduced to Can\$400 million. The other shareholders will also be able to exercise their warrants for a similar amount.

The only apparent gain to British Gas is that the new arrangement will take its share of Bow Valley to 51 per cent immediately.

How the shares are to be bought in is a matter still to be resolved. It could be done by a partial tender, with shareholders being scaled down pro rata.

Then there is the question of the warrants. Are they to be distributed free to all shareholders in proportion to their holdings, or will there be a charge?

If it was a good deal under



the original terms, these changes are not material enough to scupper it. But what a shame that British Gas has to go through all this embarrassing revision in its first overseas deal.

### Argyll Group

The last three weeks have seen a bounce in the FT food retailing index and an even greater bounce in the shares of Argyll Group. From a low at 205p on September 9, the shares hit a high at 250p yesterday.

The reason appears to be a growing realization that the integration of Safeway is going well and the conversion of Presto stores to the Safeway format is yielding some spectacular results.

Only two Presto stores at Morden, south London, and Farnham, Surrey, have been converted, but sales growth since has been 40 per cent and 70 per cent respectively. Safeway's sales density is some 55 per cent higher than Presto's. Added to that, the more profitable mix of Safeway products with its greater emphasis on higher margin fresh produce and the results are highly appetizing.

A further three conversions are due in the next few weeks and up to 10 should be complete by the end of

March. With a possible 200 Presto stores capable of transformation to Safeway and a programme of 20 to 25 store openings a year, the chain should be trading from more than 400 stores in the early 1990s.

Safeway is a quality supermarket chain, but Argyll can make improvements. Its expertise in buying, systems, warehousing, distribution and cost controls should all help push up gross margins. Smith New Court, the securities house, reckons Safeway's gross margin should be raised by more than 1 per cent this year.

In the next few years Argyll will achieve earnings growth to rival any major in the food retailing sector, says Smith New Court, a keen buyer of the shares on a near and long-term view.

The City expects Argyll to make about £170 million this year pretax, which will be knocked down to £130 million through the exceptional costs of the Presto conversion programme. In 1988-89 pretax profits are forecast at about £215 million, before exceptional.

### Adwest

If Adwest Group were a jockey, it would have been short of breath at its June 30 year-end. While turnover

from continuing operations rose 22 per cent to £88.6 million, pretax profits from these same interests trailed with only a 10 per cent advance to £11 million, the classic case of having to run twice as hard to move one step ahead.

The group was windied by its restructuring exercise, which meant the sale/closure of four companies and the reorganization of a fifth. With a final goodbye loss of £606,000 to account for, the effective pretax outcome was £10.42 million against £10 million, which is disappointing.

From here on, cost benefits should start to come through and with manufacturing companies sporting healthy order books and internal budgets being beaten, a higher level of profitability is possible.

Last year's difficulties are clear from the divisional breakdown, which shows that rents and land sales assumed top place in the profits table, generating £3.18 million, and that pre-interest profits from automotive engineering fell by £1.1 million to £1.92 million, with the margin down from 10 per cent to 5.6 per cent.

There was also a setback within electrical engineering, down from £2.16 million to £1.87 million, leaving it to the defence division to save the day. Here, pre-interest profits were £2.43 million compared with a six months' contribution previously of £841,000.

There should be scope for recovery within automotive engineering this year but the market wants proof that better profit days are ahead before becoming too carried away with Adwest shares.

If the group can turn in £12.7 million pretax this year, then the shares, at 328p, on a prospective earnings ratio of 12.1, should turn out to be a reasonable hold.



Lord Garmyle joined SG Warburg and Co in 1979 as an executive director and has responsibility for corporate finance. Mr van der Wyck joined in 1969 and is responsible for general banking and co-ordination of international activities.

Mr David Brooke has been appointed deputy chairman of Warburg Securities and Mr Hugh Stevenson takes a similar post with SG Warburg Group Management.

at the end of the meeting that he did not see gold emerging as a significant element. He stressed that gold was one commodity among several in the Baker proposal. It was necessary to study, in an unhurried way, how the system of stable exchange rates established by the Louvre accord should develop.

M Camdessus said: "I do not see the indicators' strategy as a binding system like the

European Monetary System."

Such a closely determined system would need much stronger integration of the world's economy.

The IMF is determined not to sell gold to fund the increase in the Structural Adjustment Facility (SAF) it is proposing. The last IMF gold sales in the early 1970s were used partly to finance lending to developing countries.



Ex dividend, (6) Cum dividend, (1) Cum  
split, (8) Ex stock split, (5) Cum all  
two or more of above, (5) Cum all (any  
two or more of above), (1) Cum all (any  
two or more of above), (1) Monday, (2) Tuesday,  
(2) Wednesday, (4) Thursday (6) Friday,  
(2) 25th of month, (21) 2nd Thursday of  
month, (21) 1st Thursday of month, (21)  
23rd of month, (24) 2nd  
Friday of month, (25) 1st and 3rd  
Friday of month, (26) 4th Tuesday of  
month, (1) 1st Tuesday of month, (21)  
3rd Thursday of month, (20) 3rd working  
day of month, (30) 16th of month, (21) 1st  
working day of month, (32) 20th of month,  
(21) 1st of month, (21) 1st of month, (21)  
15th of month, (34) Last working day of  
month, (35) 15th of month, (33) 14th of  
month, (27) 21st of month, (33) 3rd  
and 5th of month, (2) Wednesday, (2)  
Thursday, (41) Last Thursday of Stock  
exchange closing, (42) Last day of  
month, (32) 2nd and 4th Wednesday of  
month, (44) Quarterly, (45) 5th of month,

صكنا من الاما



Portfolio  
Gold

From your portfolio card check your daily share price movements, on this page only. Add them up to give you your overall total and check this against the daily dividend figure. If it matches, you have won tonight or a share of the total prize money. If you are a winner, follow the claim procedure on the back of your card. You must always have your card available when claiming. Game rules appear on the back of your card.

No.	Company	Share Price	Dividend
1	Carings	1.00	1.00
2	Reynolds	1.00	1.00
3	Reynolds (as)	1.00	1.00
4	Jack's (Wm)	1.00	1.00
5	Bristol	1.00	1.00
6	Collyers	1.00	1.00
7	United Biscuits (as)	1.00	1.00
8	Matthews (Bernard)	1.00	1.00
9	Robertson Res	1.00	1.00
10	Blue Circle (as)	1.00	1.00
11	Colson (as)	1.00	1.00
12	Five Oaks	1.00	1.00
13	Polished Hag	1.00	1.00
14	Barclay (S&W)	1.00	1.00
15	Barclay (S&W)	1.00	1.00
16	Barclay (S&W)	1.00	1.00
17	Stanley (AG)	1.00	1.00
18	Red Executive	1.00	1.00
19	Atwoods	1.00	1.00
20	West Hill	1.00	1.00
21	Diplomat	1.00	1.00
22	Seaford Pottery	1.00	1.00
23	Prism Marbles	1.00	1.00
24	THORN EMI (as)	1.00	1.00
25	Orbit (S)	1.00	1.00
26	UEI	1.00	1.00
27	Adair (as)	1.00	1.00
28	Adair (as)	1.00	1.00
29	Adair (as)	1.00	1.00
30	Adair (as)	1.00	1.00
31	Adair (as)	1.00	1.00
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39	Adair (as)	1.00	1.00
40	Adair (as)	1.00	1.00
41	Adair (as)	1.00	1.00
42	Adair (as)	1.00	1.00
43	Adair (as)	1.00	1.00
44	Adair (as)	1.00	1.00

Please take into account any minus signs.

Weekly Dividend  
Please make a note of your daily totals for the weekly dividend of £8,000 in today's newspaper.

MON	TUE	WED	THU	FRI	SAT	SUN

## BRITISH FUNDS

High Low	Open	Close

## SHORTS (Under Five Years)

High Low	Open	Close

## FIVE TO FIFTEEN YEARS

High Low	Open	Close

## OVER FIFTEEN YEARS

High Low	Open	Close

## UNDATED

High Low	Open	Close

## INDEX-LINKED

High Low	Open	Close

## BANKS DISCOUNT HP

High Low	Open	Close

## THIRD MARKET

High Low	Open	Close

## FINANCIAL TRUSTS

High Low	Open	Close

## OVER FIFTEEN YEARS

High Low	Open	Close

## UNDATED

High Low	Open	Close

## INDEX-LINKED

High Low	Open	Close

## BANKS DISCOUNT HP

High Low	Open	Close

## THIRD MARKET

High Low	Open	Close

## FINANCIAL TRUSTS

High Low	Open	Close

## OVER FIFTEEN YEARS

High Low	Open	Close

## UNDATED

High Low	Open	Close

## INDEX-LINKED

High Low	Open	Close

## BANKS DISCOUNT HP

High Low	Open	Close

## THIRD MARKET

High Low	Open	Close

## FINANCIAL TRUSTS

High Low	Open	Close

## STOCK EXCHANGE PRICES

## Shares firm

(Current market price multiplied by the number of shares in issue for the stock quoted)  
ACCOUNT DAYS: Dealings began September 28. Dealings end October 9. Contango day October 12. Settlement day October 19.  
Forward bargains are permitted on two previous business days.

Prices recorded are at market close. Changes are calculated on the previous day's close. Where one price is quoted, it is a middle price. Changes, yields and price earnings ratios are based on middle prices. (as) denotes Alpha Stocks. (VOLUMES PAGE 26)

No.	Company	Share Price	Dividend
1	Carings	1.00	1.00
2	Reynolds	1.00	1.00
3	Reynolds (as)	1.00	1.00
4	Jack's (Wm)	1.00	1.00
5	Bristol	1.00	1.00
6	Collyers	1.00	1.00
7	United Biscuits (as)	1.00	1.00
8	Matthews (Bernard)	1.00	1.00
9	Robertson Res	1.00	1.00
10	Blue Circle (as)	1.00	1.00
11	Colson (as)	1.00	1.00
12	Five Oaks	1.00	1.00
13	Polished Hag	1.00	1.00
14	Barclay (S&W)	1.00	1.00
15	Barclay (S&W)	1.00	1.00
16	Barclay (S&W)	1.00	1.00
17	Stanley (AG)	1.00	1.00
18	Red Executive	1.00	1.00
19	Atwoods	1.00	1.00
20	West Hill	1.00	1.00
21	Diplomat	1.00	1.00
22	Seaford Pottery	1.00	1.00
23	Prism Marbles	1.00	1.00
24	THORN EMI (as)	1.00	1.00
25	Orbit (S)	1.00	1.00
26	UEI	1.00	1.00
27	Adair (as)	1.00	1.00
28	Adair (as)	1.00	1.00
29	Adair (as)	1.00	1.00
30	Adair (as)	1.00	1.00
31	Adair (as)	1.00	1.00
32	Adair (as)	1.00	1.00
33	Adair (as)	1.00	1.00
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39	Adair (as)	1.00	1.00
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41	Adair (as)	1.00	1.00
42	Adair (as)	1.00	1.00
43	Adair (as)	1.00	1.00
44	Adair (as)	1.00	1.00

Portfolio  
Gold

DAILY DIVIDEND £12,000  
WEEKLY DIVIDEND £8,000  
Claims required for +49 points  
Claims required for +249 points  
Claimants should ring 0254-53272

No.	Company	Share Price	Dividend
1	Carings	1.00	1.00
2	Reynolds	1.00	1.00
3	Reynolds (as)	1.00	1.00
4	Jack's (Wm)	1.00	1.00
5	Bristol	1.00	1.00
6	Collyers	1.00	1.00
7	United Biscuits (as)	1.00	1.00
8	Matthews (Bernard)	1.00	1.00
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10	Blue Circle (as)	1.00	1.00
11	Colson (as)	1.00	1.00
12	Five Oaks	1.00	1.00
13	Polished Hag	1.00	1.00
14	Barclay (S&W)	1.00	1.00
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16	Barclay (S&W)	1.00	1.00
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19	Atwoods	1.00	1.00
20	West Hill	1.00	1.00
21	Diplomat	1.00	1.00
22	Seaford Pottery	1.00	1.00
23	Prism Marbles	1.00	1.00
24	THORN EMI (as)	1.00	1.00
25	Orbit (S)	1.00	1.00
26	UEI	1.00	1.00
27	Adair (as)	1.00	1.00
28	Adair (as)	1.00	1.00
29	Adair (as)	1.00	1.00
30	Adair (as)	1.00	1.00
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32	Adair (as)	1.00	1.00
33	Adair (as)	1.00	1.00
34	Adair (as)	1.00	1.00
35	Adair (as)	1.00	1.00
36	Adair (as)	1.00	1.00
37	Adair (as)	1.00	1.00
38	Adair (as)	1.00	1.00
39	Adair (as)	1.00	1.00
40	Adair (as)	1.00	1.00
41	Adair (as)	1.00	1.00
42	Adair (as)	1.00	1.00
43	Adair (as)	1.00	1.00
44	Adair (as)	1.00	1.00

## OVERSEAS TRADERS

No.	Company	Share Price	Dividend
1	Carings	1.00	1.00
2	Reynolds	1.00	1.00
3	Reynolds (as)	1.00	1.00
4	Jack's (Wm)	1.00	1.00
5	Bristol	1.00	1.00
6	Collyers	1.00	1.00
7	United Biscuits (as)	1.00	1.00
8	Matthews (Bernard)	1.00	1.00
9	Robertson Res	1.00	1.00
10	Blue Circle (as)	1.00	1.00
11	Colson (as)	1.00	1.00
12	Five Oaks	1.00	1.00
13	Polished Hag	1.00	1.00
14	Barclay (S&W)	1.00	1.00
15	Barclay (S&W)	1.00	1.00
16	Barclay (S&W)	1.00	1.00
17	Stanley (AG)	1.00	1.00
18	Red Executive	1.00	1.00
19	Atwoods	1.00	1.00
20	West Hill	1.00	1.00
21	Diplomat	1.00	1.00
22	Seaford Pottery	1.00	1.00
23	Prism Marbles	1.00	1.00
24	THORN EMI (as)	1.00	1.00
25	Orbit (S)	1.00	1.00
26	UEI	1.00	1.00
27	Adair (as)	1.00	1.00
28	Adair (as)	1.00	1.00
29	Adair (as)	1.00	1.00
30	Adair (as)	1.00	1.00
31	Adair (as)	1.00	1.00
32	Adair (as)	1.00	1.00
33	Adair (as)	1.00	1.00
34	Adair (as)	1.00	1.00
35	Adair (as)	1.00	1.00
36	Adair (as)	1.00	1.00
37	Adair (as)	1.00	1.00
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39	Adair (as)	1.00	1.00
40	Adair (as)	1.00	1.00
41	Adair (as)	1.00	1.00
42	Adair (as)	1.00	1.00
43	Adair (as)	1.00	1.00
44	Adair (as)	1.00	1.00

## PAPER, PRINTING, ADVERTISING

No.	Company	Share Price	Dividend
1	Carings	1.00	1.00
2	Reynolds	1.00	1.00
3	Reynolds (as)	1.00	1.00
4	Jack's (Wm)	1.00	1.00
5	Bristol	1.00	1.00
6	Collyers	1.00	1.00
7	United Biscuits (as)	1.00	1.00
8	Matthews (Bernard)	1.00	1.00
9	Robertson Res	1.00	1.00
10	Blue Circle (as)	1.00	1.00
11	Colson (as)	1.00	1.00
12	Five Oaks	1.00	1.00
13	Polished Hag	1.00	1.00
14	Barclay (S&W)	1.00	1.00
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21	Diplomat	1.00	1.00
22	Seaford Pottery	1.00	1.00
23	Prism Marbles	1.00	1.00
24	THORN EMI (as)	1.00	1.00
25	Orbit (S)	1.00	1.00
26	UEI	1.00	1.00
27	Adair (as)	1.00	1.00
28	Adair (as)	1.00	1.00
29	Adair (as)	1.00	1.00
30	Adair (as)	1.00	1.00
31	Adair (as)	1.00	1.00
32	Adair (as)	1.00	1.00
33	Adair (as)	1.00	1.00
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37	Adair (as)	1.00	1.00
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39	Adair (as)	1.00	1.00
40	Adair (as)	1.00	1.00
41	Adair (as)	1.00	1.00
42	Adair (as)	1.00	1.00
43	Adair (as)	1.00	1.00
44	Adair (as)	1.00	1.00

## PROPERTY

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Edited by Peter Gartland

FAMILY MONEY/1

THIS WEEK

Hill Samuel and the TSB	2
New Visa card	2
US investment	3 and 4
The Save & Prosper offer	5
National Savings	6
How to strike a contract	6
Unit trust update	6
The gold and silver show	7
New deal for tenants	7
Insurance for widows	8
Retirement income	9
Computer blacklists	10
Pensions	10
Portuguese loans	11

KEY RATES

Retail Prices Index (August '86 to August '87) +4.4

Mortgage rate\* 11.25%

Bank base rate 10%

Bank prime overdraft rate\* 13%-18% APR

Personal loan rate\* 19.7% APR

Credit card rate\* 23.1% APR

Hire purchase rate\* 28% APR

Bank deposit account 3.75%

Building society ordinary account 5%

High-interest cheque account 7.00

Holiday exchange rates\*

Spanish peseta 194.5

French franc 6.77

Greek drachma 228

Italian lira 2125

\* Typical rates

\* £1,000 over 12 months

APR = annual percentage rate

FUND OFFERS

Clerical & Medical, page 26; Touche Remnant, page 31; Save & Prosper, pages 33 and 40; Fidelity, pages 33, 35, 37 and 39; MIM Britannia, page 35; Equitable, pages 35 and 41; Foreign Colonial, page 36; Henderson, page 38; Guardian Royal Exchange, page 39; Gartmore, page 41

# Expansion plan for £50 billion industry

Unit trusts are enjoying a boom period but they are also in for some major structural changes. PETER GARTLAND explains

The unit trust industry is at last showing signs of capturing the hearts and pockets of the British people. Prudential's new International Small Companies fund pulled in £190 million in September, and next week we shall know how much unit trust money Royal has attracted for its £5.9 million advertising spend.

Whether this love affair proves as profitable for investors as for the fund management groups remains to be seen. With unit trust money under management nudging a record £50 billion, mainly from small investors, it is tempting to ask whether the bear market can be far behind.

But whatever the performance outlook, there is no doubt that the unit trust industry's framework is changing radically. This is of importance not only to the

industry itself, but also to the growing army of unit trust investors, now numbering more than 1.5 million.

The Government is considering widening the scope of unit trust investment to include money market funds as well as funds investing directly in property and in commodities futures and options. From next summer unit trusts will be permitted as investment vehicles for personal pensions.

This week, the Securities and Investments Board, Britain's investor watchdog, added to the changes in the pipeline by publishing far-reaching proposals to reform the system of unit trust pricing.

The SIB chairman, Sir Kenneth Berrill, has presided over the output of a mini-paper mountain in recent months and the latest package adds considerably to that. Is it worthwhile?

Sir Kenneth is in no doubt: "We believe the new package of draft regulations should help the industry to continue to develop and expand in a manner which will retain the confidence of investors."

In essence, the new proposals are intended to introduce a fairer system for incoming and outgoing investors and to balance this with continuing investors' interests.

The major new proposal in this week's document is a system whereby the price of units will be based on their valuation following receipt of the investor's order to buy or sell. This change would mirror practice in the American mu-

## Opportunities for the professionals

tual fund industry. The present British practice relies on unit prices from the previous day's trading.

The SIB's view is that because unit prices are based on an out-of-date valuation of the fund, this opens up opportunities for professional market operators and managers to profit at the expense of other unit holders.

Ordinary unit holders are not in a position to make transactions on the basis of current information not yet reflected in unit prices. The

SIB argues, quite correctly, that this is contrary to unit holders' best interests and should be prevented, even though investors will not know the precise price at which deals will be effected at the time they give a purchase or sale order.

The SIB is also planning that there should be what it calls transparency, or improved disclosure. So, the unit trust management group's initial charge should no longer form an unidentified part of the price at which it sells units. Instead, it should be shown separately. Such a move would bring units more into line with shares.

A further recommendation by the SIB is that unit trust groups should indicate alongside published prices in newspapers whether the price is bid based (B), offer based (O) or intermediate (I). This recommendation arises from the present Trade Department rules allowing fund management groups to move unit prices within a scale depending on whether investors are buying or selling units. The level at which prices are fixed on the scale can affect units by



Sir Kenneth Berrill, left: "We believe the regulations should help." Bill Stuttford, of the Unit Trust Association: "Unit holders will find forward pricing off-putting, at any rate at first."

around 13 per cent either way.

If investors are buying and the fund size is growing, the fund is usually on an offer basis, meaning that both the buying and selling prices are at the upper end of the range permitted by the department. If investors are selling and the fund is declining in size, perhaps because of a stock market crisis, it is usually pitched on a bid basis, meaning that prices are at the lower end of the permitted range.

There is nothing to fault this system in terms of commercial logic. The problem is that investors cannot ascertain just by looking at prices quoted in newspapers whether the fund is on an offer or bid basis. This puts them to the trouble and inconvenience of telephoning the unit trust group, and even then some groups are not prepared to disclose the basis of their dealings.

If the SIB's recommendations are implemented, trustees of unit trust funds will in future be required to produce

a report for unit holders confirming they are satisfied that the scheme has been managed in accordance with the regulations.

The SIB has set a November 2 deadline for comments on its proposals but it may have great difficulty in keeping to this.

## Information that is of little use

The Unit Trust Association, representing most unit trust groups, said yesterday that a month is too short a time to make a constructive response on proposals that will affect the unit trust industry for decades to come. The association has a fair point here but aside from the tight schedule its initial response smacks of Luddite thinking.

The chairman, Bill Stuttford, objects to the SIB's proposals on forward pricing on the somewhat flimsy argument that unit holders will

find it off-putting "at any rate at first".

Mr Stuttford is on firmer ground when it says that published information in a newspaper as to whether a fund is on a bid, offer or intermediate basis is useless to the investor "since it will give no indication as to the basis of the forward price at which he would have to buy or sell". No alternative plan is put forward by the association.

The association has also chosen to whinge about the SIB's proposals for the disclosure of charges. It appears to accept the principle, but rejects the practice on the grounds that it is being treated differently from other parts of the financial services sector, such as life assurance. It is rather like agreeing to stop beating your wife, but only if the other fellow agrees to stop beating his wife.

One has learned to expect forward thinking from the association. This latest example is a disappointment.

If you've been looking for the best way to get into Investment Trusts, you've just stumbled on it.

Even the most clued-up investor can feel a little in the dark about investment trusts. After all, there are nearly 200 of them, and only one of you. That's why we created the TR Investment Trust Management Service, to bring you the pick of investment trust profits, without all the problems.

The returns you want. The way you want them.

You've probably heard that £1,000 placed in the average investment trust last year would now be worth £1,507.\* In the average unit trust, £1,419.\*\* And in the average building society, just £1,057.† So it's not hard to see why our service concentrates entirely on investment trusts. However, you'll find we also make a point of customising your portfolio. You may prefer to take a low-risk approach, for example. Or focus on trusts with an overseas bias. Whatever you choose, you can be certain your portfolio will be individually-tailored.

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So why Touche Remnant Financial Management?

Of course, there are plenty of other portfolio management services, and plenty of other investment trust managers. However, we are the only people offering a blend of the two. We're also part of the Touche Remnant group, the biggest investment trust managers in Britain with nearly a century of international experience, and that, we believe, speaks for itself.

So if you have £20,000 or more to invest, and you'd like to find out more about a unique investment trust management service, do contact us quickly. Before you put a foot wrong.

Send to: Kevin Lillywhite, Touche Remnant Financial Management Limited, Mermaid House, 2 Puddle Dock, London EC4V 3AT.

Send me a brochure about the Touche Remnant Investment Trust Management Service immediately.

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Address \_\_\_\_\_

Postcode \_\_\_\_\_

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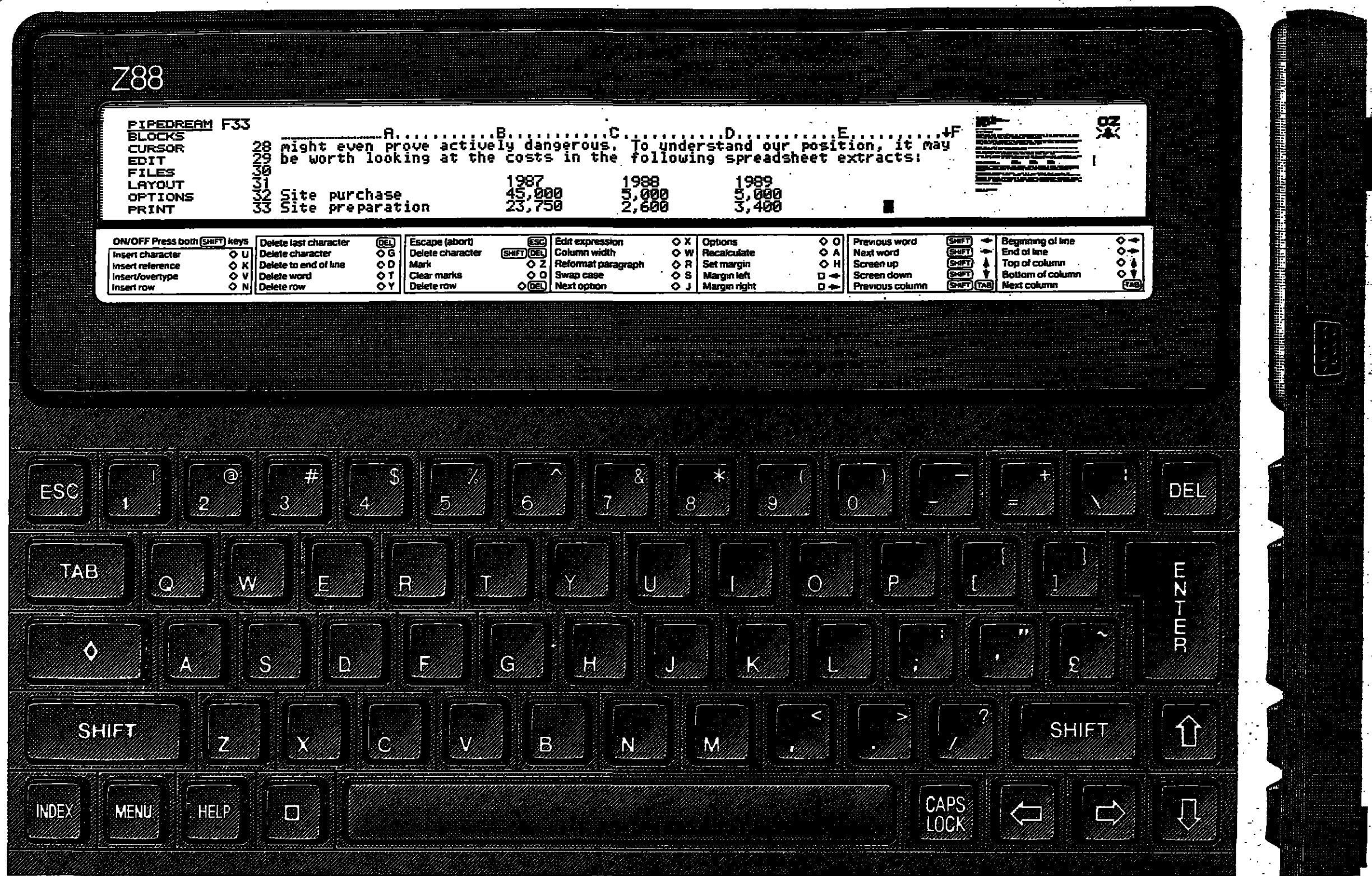
Source: Money Management—\*FPA Investment Trust Index. \*\*Unit Trust Index. †Building Society Account. All figures over 1 year to 1 August 1987. Touche Remnant Financial Management Limited is a member of the Financial Intermediaries, Managers and Brokers Regulatory Association.



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And it costs just £249.99 plus VAT.

A computer, above all.

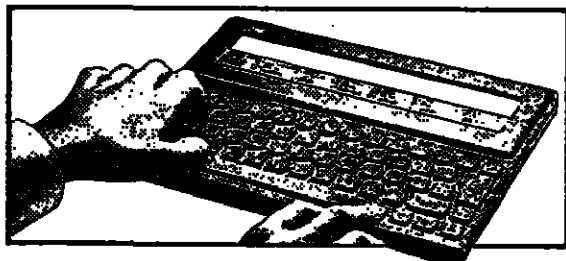
From the start, the Z88 was designed to give you all the capability of a personal computer in a package that dramatically increases its convenience.



The Z88 has a comprehensive suite of software built in. Word-processing, spreadsheet, and more... all powerful applications software, all offering the same sorts of facilities you have on your desktop PC.

And because the Z88 is a personal computer in its own right, it can exchange information with your IBM-compatible via its RS232 port. Load a document from your desk-top, work on it while you're away, load the revisions back in on your return. The same port also feeds virtually any popular printer...

Screen? The latest supertwist liquid crystal. It's a massive improvement on ordinary displays



— and provides a large working area of 8 lines x 94 characters. It also includes a unique page map that shows you where you are on a complete page.

Forget fragile disks, forget bulky disk drives.

Memory? The Z88 comes with 32K of RAM built-in — enough for a 2,000-word document. Extra RAM comes in the form of rugged, solid-state packs — each measuring just over two inches square by 3/8 inches thick.

In 32K and 128K, these packs simply slot into the Z88 to expand its RAM to as much as 446K. And with the coming introduction of 1Mbyte packs, you'll have total RAM of over 3Mbytes at your disposal — enough to hold the complete works of Shakespeare. And more power than virtually any desktop PC.

A box file (or two) in your pocket.

Permanent storage comes in EPROM (Erasable Programmable Read Only Memory) packs, available in 32K and 128K. Again, 1Mbyte packs are coming soon. When you save a file onto an EPROM pack, you can remove the pack from the Z88 without any loss of data — and (safely) carry a briefcase full of documents in your pocket. Try that with a floppy!

When you no longer need the data, use the optional Z88 EPROM eraser — it leaves you with a blank EPROM pack, ready for re-use.

Empty your briefcase, once and for all.

Like any PC, the Z88 cuts down on paper. It also cuts out calculators, conversion tables, diaries, travelling clocks and address books.

The Z88's powerful software provides them all, via pop-down screens (which you can access while writing a document or composing a spreadsheet), at the touch of a button.

The Z88's diary comes as a free-form log that can be configured however you like. It's particularly useful when you

use it with the Z88's calendar and clock to find dates and set alarms.

And the Z88's database amounts to the ultimate in address books — it holds information like names, addresses, telephone numbers, which it can rank in whatever way you choose.

Moving between applications — on the move.

Most significant of all, the Z88's software suite allows you to switch between any two applications — without having to load separate software into the computer's memory.

Switch from writing a letter to find an address... from composing a report to carry out a calculation... move a portion of spreadsheet (or a complete one) into a larger document.

All by simply pressing a couple of keys.



The Z88's word processing software includes multi-column layout, search and replace, embedded calculations. Its display shows bold, italics, underlining, and page-breaks (more than you can say for many desk-top PCs).

And the spreadsheet includes text-handling and sorting — and handles everything from simple budgets to complex cashflow.

That's power.

More than a computer — a complete system.

The Z88 has a wide range of accessories. These include a mains adapter, RAM and EPROM packs, I/O software and cable, EPROM eraser, and RS232 printer cable. There's also a modem which lets you send documents around the country far faster than a motorcycle messenger.

What the papers say.

'It's very, very good' (*Popular Computing Weekly*). 'I propose to buy one out of taxed income' (*Punch*). 'Marvellous, good value and will sell in the thousands' (*Personal Computer World*).

For more information on the Z88 call us on 0223 312182 or write to The Z88 Information Desk, Dept. 310T, Sidney House, Sussex Street, Cambridge, CB1 1PA.

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## FAMILY MONEY/2

## A Christmas present from Harrods

Harrods, the world-famous Knightsbridge store, is offering interest-free Christmas shopping. Anyone with a Harrods Charge Account who is resident in the UK will be eligible to apply for a special Christmas card account. Holders of the special card will be able to spend what they like between October 19 and December 24. There is no charge for the card, and customers will not be billed until the new year.

Early in January a statement itemizing the various purchases made with the card will be sent out. The total cost will appear as one entry on the customer's normal January statement - payment will be due within 25 days of this statement date. Provided the balance is paid in full, there will be no interest charge. Customers who do not settle their account will pay interest in the usual way. The current rate is 29.9 per cent APR.

Applications are now being sent to account holders. Forms are also available in the store. Anyone who does not have an account at present can apply for both a Charge Account and a special Christmas card.

Matheson Investment Management has launched an international pension plan in conjunction with Unilever Assurance SA. The plan has a low charging structure and is designed for expatriates of all nationalities. The fund will be based in Luxembourg and is not liable for capital gains tax or income tax. Contributions can be varied and regular withdrawals can be made without deduction of tax. On retirement the fund is subject to income tax regulations governing the country where it is realized. More details are available from Matheson Investment Management, 3 St James's Square, London SW1Y 4JB (01-493 7866).

Johnson Matthey has made new arrangements for investors who wish to buy and sell platinum investment bars. In both cases, prices will be based on fixed percentage premiums on the prevailing market price - the greater the weight of the bar, the lower the premium. The company offers a wide range of sizes: 1/2oz, 1oz, 5oz and 10oz. No additional charge is made for

storing bars offshore, and Johnson Matthey guarantees to repurchase bars of its own manufacture at any time.

Yorkshire Bank is keen to increase awareness of its personal loan services. People taking out a loan to buy either a new or a used car from October 6 will receive a free Bonustravel voucher entitling them to up to three nights' free accommodation for two at hotels in the UK, France, The Netherlands, Italy, Portugal and Switzerland. Loans are available to both customers and non-customers. The minimum amount is £200. The rate of interest is 10 per cent, with a typical APR of 18.4 per cent. The loan can be repaid over a maximum of three years for second-hand cars, and four years for new cars. The offer closes on December 31.

Allied Arab Bank has launched a new interest-bearing portfolio management account carrying an overdraft facility. Individuals or limited companies with an existing portfolio valued at £50,000 can apply. Investors with £50,000 cash are also eligible. The account, which pays 7.75 per cent gross at present, comes with a cheque book that can be used for all equity purchases. It can be held either by the account holder or, in the case of a discretionary account, by the stockbroker.

The overdraft facility is secured by the client's portfolio. Borrowing is limited to two-thirds of the value of the initial portfolio, subject to an overall maximum of £16,000 and a maximum of £250,000. The loan can be used for any purpose, ranging from applying for new issues to paying for school fees.

There are no charges for the cheque account. There is an arrangement fee for the loan of 0.5 per cent of the value of the agreed facility. Interest is charged at AAB base rate (currently 10 per cent) plus 3 per cent.

Providence Capital is launching its Worldwide Bond Trust today. The aim is to combine income and capital growth through investment in world markets world-wide, investing mainly in government or government-guaranteed issues. The minimum investment is £500. There is an initial 5.25 per cent charge and an annual 1 per cent management fee. The offer price of the units is 50p until October 20. During the launch period, investors will receive a 1.5 per cent bonus allocation.



Iain Cathbertson: playing God

The Institute of Actuaries and its Scottish counterpart, the Faculty of Actuaries, have combined to produce a video aimed at expanding recruitment of mathematically minded students to meet the growth in demand for actuaries.

About 2,000 actuaries are practising in the UK and a further 1,500 are needed by 1995. The actuaries' bodies are concerned that, despite the profession's reputation for high salaries, they may be slipping behind other parts of the financial services sector in the recruitment drive for outstanding graduates.

The 12-minute video entitled, *What? No Thunderbolts?*, features the actor Iain Cathbertson and will be available to universities and polytechnics from the middle of this month.

## Bad payers, don't apply

Save & Prosper has launched a new lower interest rate Visa card in conjunction with its major shareholder, the merchant bank Robert Fleming.

The rate is at least 0.25 per cent less than that of other major bank credit cards - 1.5 per cent a month (APR 19.6), against the typical Access and Barclaycard rate of 1.75 per cent (APR 23.1). Lloyds Access cardholders pay 1.9 per cent (APR 25.3).

However, in order to offer the low rate, Save & Prosper is imposing strict credit controls. Although you do not need to have an existing relationship with either Save & Prosper or Robert Fleming to be eligible for its card, you must own your home, have a clean credit record and be in salaried employment offering a pension. In addition, you must not have moved home or changed jobs in the past 12 months - and, ideally, you should have £20,000 free equity in your home.

Save & Prosper believes these strict criteria will enable it to avoid the bad payers. It will pass the benefit on to its cardholders in the form of a lower interest rate.

The company hopes the launch will broaden its customer base and give it an opportunity for cross-selling its financial products and services.

It will be interesting to see how the major credit card companies react. Certainly, Save & Prosper believes the Monopolies Commission will view its move favourably. In May this year, Sir Gordon Bunde, director general of Fair Trading, referred credit cards to the commission. One factor he highlighted was the high interest rates of Barclaycard and the Access cards.

The new credit card will operate in the same way as other Visa cards, such as Barclaycard. One practical difference is that cardholders will be able to say which date every month they would like to receive their bill. A direct debit facility will also be offered, whereby the account is settled in full every month, 21 days after the statement date. The charge for this is £3 a year.

Amanda Pardoe

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†Net income reinvested based on model of the highest available interest rates from the top three Building Societies over the period.

Source: Fidelity.

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## TSB's bid and the investor

## TAKE-OVER

TSB's agreed £777 million bid for the merchant bank Hill Samuel, announced yesterday, has major implications for retail financial services, including the two companies' unit trust and insurance companies.

The combined unit trust funds under management, including Target Funds, that TSB acquired earlier this year, are now estimated at £3.5 billion. TSB claims this makes it the biggest unit trust group in the UK.

TSB, excluding Target, has £1.7 billion of unit trust funds under management spread across a range of 12 funds and representing the interests of some 109,000 unit holders.

Before the acquisition of Target, TSB was the seventh biggest unit trust group in terms of funds under management.

Hill Samuel also has a sizeable unit trust operation. It offers 16 funds and has more than £1 billion of funds under management, making it the 11th biggest unit trust group.

It remains to be seen

whether the unit trust operations of TSB and Hill Samuel are kept quite separate. It would not be surprising if there were some merging of funds that have overlapping aims.

Hill Samuel unit trusts have performed particularly well and have won various awards sponsored by financial magazines.

Both TSB and Hill Samuel also have subsidiary insurance companies. TSB markets unit-linked life products through its trust company as well as providing general insurance products that are underwritten by other insurance companies.

## Catering for the middle-rich

Hill Samuel Life Assurance markets a range of life assurance and pension plans.

Hill Samuel Investment Services Group, which is the umbrella company for the unit trust and life assurance operations, also provides private client investment management services as well as mortgages and personal credit.

The combined group is likely to expand its retail

financial services internationally.

TSB Channel Islands markets its services to expatriates from Jersey. Next January it is due to open a Luxembourg-based private bank to cater for what it calls the middle-rich.

Hill Samuel's overseas personal financial services are marketed through a Geneva-based subsidiary in conjunction with offices in Jersey and Hong Kong. It offers a number of offshore funds.

Bank Von Ernst in Switzerland is part of Hill Samuel's investment services group.

Hill Samuel also has plans to open offices in Spain, Belgium and The Netherlands in order to further capitalize on the British expatriate market and the internationalization of European unit trust marketing when an EEC directive comes into force in October 1989.

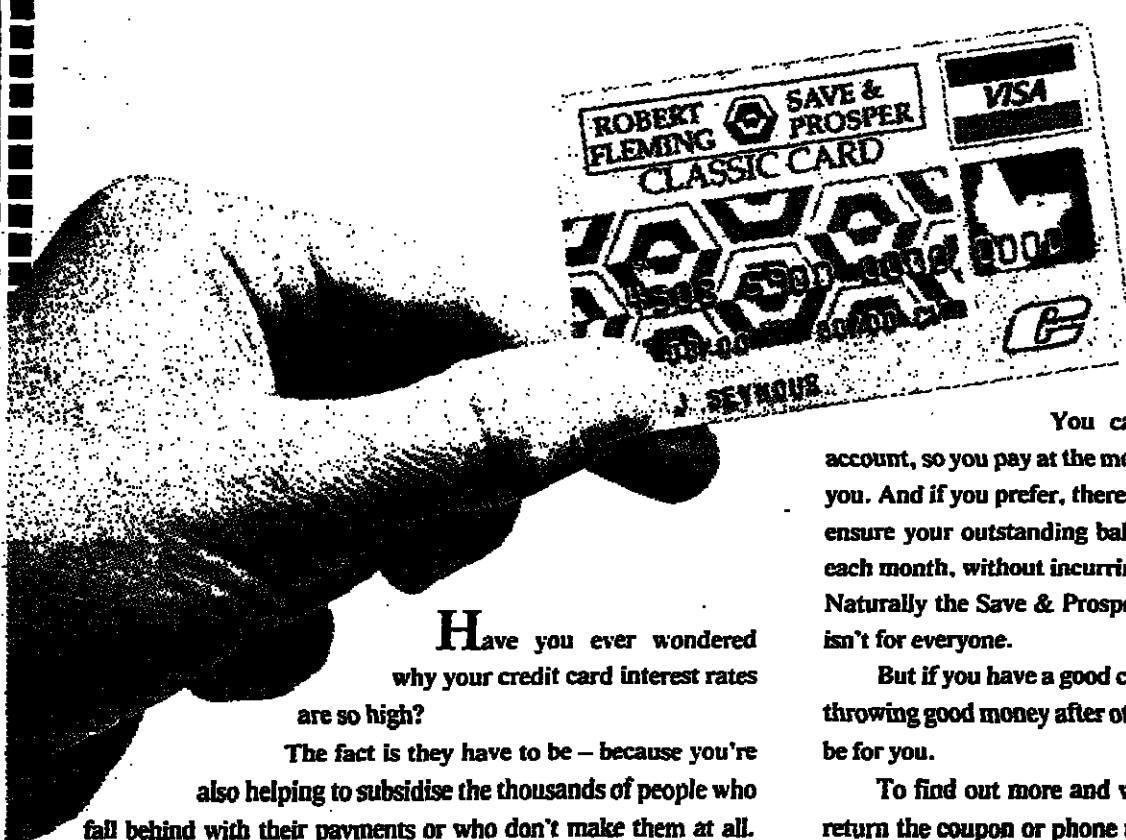
The TSB take-over of Hill Samuel looks like a dream marriage and the retail financial services part of the deal should add to the enjoyment of the honeymoon.

TSB's two million shareholders should not be unhappy with the outcome.

Peter Gartland

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\*Source: IDC Opal 1st October 1987 offer to bid net income reinvested.

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Investors in US funds have been unlucky in spite of the market's bull phase

## Stocks high, units low

The United States has not been fashionable among UK investors in recent times. AMANDA PARDOE explains

Attention was focused on the United States this week, as central bankers and finance ministers from the world's seven leading industrial nations gathered in Washington at the annual meetings of the World Bank and the International Monetary Fund.

The United States is not, however, in vogue with UK investors. Individuals looking to invest abroad have been more inclined to opt for Europe or the Far East during the past couple of years. Certainly the performance of unit trusts invested in North America has been lacklustre, to say the least.

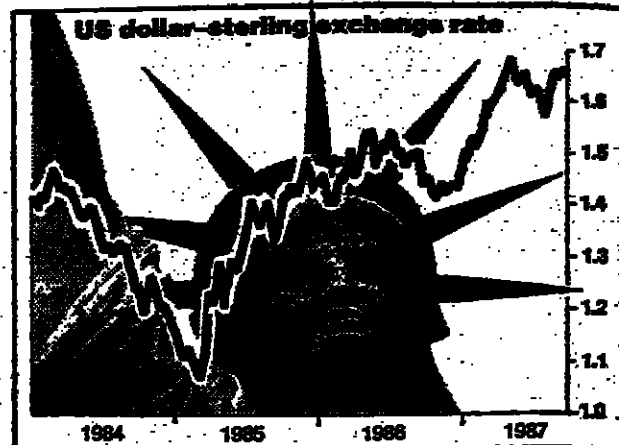
Every month Family Money lists the 10 best-performing and the 10 poorest-performing unit trusts of all categories, over both one year and five years. For the past six months funds invested in the United States have appeared regularly in the bottom 10. In fact, over the 12 months to both June 1 and July 1, the United States scooped all the bottom slots.

This poor performance belies the movement of the American stock market which has in fact, been powering ahead for the past five years. Unfortunately for the UK-based investor, the benefits of this bull phase have been largely countered by the weakness of the US dollar.

The graph shows the relationship between the pound and the dollar over the past three years. The most noticeable point is early 1985, when the two currencies almost reached parity. Since then the pound has gained considerable ground, standing at 1.62 at the close of business yesterday.

To demonstrate the marked effect that the currency has had on the overall investment performance for a UK-based individual, it is worth looking at the growth of the Standard and Poors Composite Index, which is based on more than 400 US stocks. Over two years this has risen by 82 per cent.

In contrast, the average North American unit trust has gone up by 36 per cent. A similar picture emerges over one year, where the Standard and Poors Composite Index has risen by 32.1 per cent, while the average North



American unit trust has increased by just 9.9 per cent.

The currency element, of course, applies to any overseas investment. UK-based individuals who want to have an international portfolio have to consider not only the relative merits of the various world markets, but also the strengths of the different currencies in relation to sterling.

Hand in hand with this extra factor comes added risk - which can mean either greater gains or heavier losses. Let us take the two extremes. If the market in which you are investing rises and the foreign currency strengthens against sterling, you stand to benefit on two counts. If, on the other hand, the market collapses and the currency weakens, you lose on two counts.

Investing abroad, however, does not have to be so cut and dried. Fund managers can protect investors against currency movements by "hedging" the fund.

Some purists object to hedging, on the grounds that investing in a particular market means taking the currency on board too. Others believe their investors would prefer them to monitor the currency and intervene as appropriate.

In the case of the dollar, hedging has certainly paid off in recent months. One unit trust, the Gartmore Hedged American Fund, is unique in that it is always 100 per cent hedged. Not surprisingly, in view of the dollar's weakness in relation to sterling, this fund has proved a front runner in recent months. The latest performance figures place it second over the 12 months to October 1.

The important point to remember, of course, is that had there been a reversal, with the dollar gaining on sterling,

investors in this fund would not have enjoyed the benefits. There are more than 100 unit trusts invested in North America but, apart from the Gartmore Hedged American Fund, these will at any given time be partially hedged, or not hedged at all.

Opinions about the American market during the next six to 12 months are varied. Terry Webb, a director of Gartmore Fund Managers, says: "I think America looks reasonably well placed, and that it has a lot of short-term attraction. The economic statistics are frankly



Jamie Barry: "see-saw"

confusing. What's going on in American industry is much more promising.

He identifies three areas of benefit to industry - the lower dollar, which makes exports more profitable, a leaner corporate United States, and the fact that companies are continuing to buy back shares, which reduces the number of shares in the market.

Mr Webb says: "I'm slightly bullish about the dollar, but I think America is very good value. Share investors should have 10 per cent, possibly 20 per cent, of their portfolio in America."

M&G manages the largest American general trust in the industry, as well as offering a Recovery fund and a Smaller Companies fund.

Paul Nix, an investment manager at M&G, says: "I think investors should have 20-25 per cent of their portfolio invested overseas as a hedge against things going wrong in the UK. After all, it doesn't pay to have all your eggs in one basket."

"America is still the biggest market, although Japan is catching up, and I would suggest having 10 per cent in America."

Continued on facing page

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## FAMILY MONEY/4

## Why US misses British money

Continued from previous page

each of these markets, with 5 per cent in Europe.

Towry Law, the financial planning group, prefers other markets. The Towry Law director, John Bridel, says: "As part of a global portfolio we may suggest 5 or 10 per cent in America, as it is the largest market, but for investors with a total portfolio of £10,000 or less, we don't recommend it at all."

"Basically, we don't like America because of the enormous trade deficit and little action to deal with it, and with another election run-up in the pipeline there seems a little incentive to deal with it."

James Berry, of Berry Asset Management, says he would not be inclined to recommend a significant holding in the United States. For UK investors with nothing there at the moment, he says he may put in 10 per cent.

"In my view, if America is going to enjoy a continued and sustained bull market over the next year, a large proportion of other world markets will do well," says Mr Berry.

"And if America goes up 20 per cent in dollar terms, some

of the smaller markets may well go up 30 per cent.

"It is unlikely that America will go up on its own. On the other hand, other markets might continue to rise without the stimulus of a rise in the US."

Mr Berry says that at the moment the United States is like a sea-saw with good news at one end, and bad at other.

"The good news is steady inflation, demand for equities from institutions and individuals and strong corporate profits."

The main item of bad news is the trade deficit, which the Treasury Secretary, James Baker, has been examining with other leading finance ministers this week. The deficit reached a record \$16.47 billion in July.

Mr Berry says: "From the UK investor's point of view, I think America will continue to be a pretty unsatisfactory experience. The currency aspect puts the lid on the case against investment in America for me."

"If sterling continues to be strong against the dollar, Gartmore Hedged American would be just the ticket for me."

## US UNIT TRUSTS

Results of £100 investment held over

	3 mths*	1 yr	3 yrs
Abbey American Growth	97.2	114.6	154.6
Abbey US Emerging Cos	98.2	108.7	115.1
Abbey North American Growth	102.6	132.9	148.0
Abbey Dorchester Asia Pacific	95.7	108.1	128.1
Abbey North American	95.9	115.3	146.7
Battle America	101.1	132.1	148.0
Battle US Uncon American	97.3	116.9	143.3
Battle First N American	95.2	107.3	140.8
Battle North American Spec	97.7	112.0	140.8
Battle Court North American	95.7	112.0	140.8
Battle American & General	98.2	115.9	113.9
Brown Shipley N American	101.5	115.9	113.9
Canada Growth	90.1	99.2	90.8
Canada North American	99.1	116.6	153.9
Capital House N American Gr	98.5	108.6	148.0
Capital House American Growth	98.8	108.6	148.0
County North American Growth	98.8	108.6	148.0
Crown American	97.4	115.9	142.8
Crown Canadian Growth	96.4	108.6	148.0
Crosser North American Growth	98.8	108.6	148.0
CS America	98.3	108.7	148.0
Equitable North American	98.8	108.6	148.0
Equitable North American	97.2	119.5	116.6
Equity & Law North American	97.4	117.2	128.8
F&O US Major Companies	97.8	118.7	148.0
F&O US Smaller Companies	98.7	108.9	124.4
Fidelity American	97.2	124.0	148.0
Fidelity American Spec Sit	90.1	105.4	113.9
Franklin American & Gen	97.6	102.3	128.6
Franklin American Trustfund	98.1	109.7	129.5
Franklin American Growth	98.5	117.4	148.0
FS American Growth	98.8	117.4	148.0
GAM North American	103.2	114.4	115.7
Gartmore American	97.5	108.1	148.0
Gartmore Hedged American	98.8	108.6	148.0
Gartmore North American	98.7	108.6	148.0
GRE North American	95.3	117.3	148.0
Gresham N American Growth	98.3	117.3	148.0
Growth American	102.8	122.0	161.1
GT American Spec Situations	98.5	108.6	148.0
GT US & General	98.5	117.2	127.4
Guinness Watson N American	98.5	117.3	148.0
Hambros Canadian	98.5	117.3	148.0
Hambros North American	98.5	117.3	148.0
Henderson Amer Sm Cos	98.3	104.0	107.2
Henderson North American	98.7	108.6	148.0
Henderson North American	97.9	113.8	125.3
Hill Samuel Dollar	98.1	118.9	140.8
Hill Samuel US Smaller Cos	94.2	111.2	111.2
Holborn North American	101.7	134.6	140.5
James Capel North American	98.8	110.7	132.0
Kleinwort Barr Amer Sm Cos	98.8	110.7	132.0
Kleinwort Barr North American	98.8	110.7	132.0
LAS North American Equity	97.1	108.8	148.0
Lazard North American Growth	98.3	118.5	148.0
Legal & General North American	98.4	120.0	148.0
Lloyds Bank North American	99.9	127.5	148.7
London & Manchester American	98.3	120.9	148.7
M&G American & General	97.7	111.1	144.7
M&G American Recovery	97.5	108.5	138.2
M&G American Smaller Cos	97.4	100.4	129.9
Manville North American	100.3	126.0	152.0
Mercury American Growth	98.8	118.5	152.0
Mercury American Smaller Cos	98.0	118.1	151.7
Milford Bank N American	97.4	114.4	148.2
MIM Britannia American Growth	98.0	108.7	125.8
MIM Britannia US Smaller Cos	106.4	138.5	148.0
MLA American	97.8	108.0	148.0
Murray American	98.5	120.7	133.7
New Court American	98.5	120.7	133.7
New Court American Canadian Cos	98.5	120.7	133.7
NM Schroder American	98.1	119.5	150.6
NM Schroder US Smaller Cos	100.0	121.5	150.6
Norwich North American	98.2	115.8	148.0
NPI American	98.5	117.7	148.0
Openheimer American Growth	103.7	118.5	143.9
Pegasus North American	98.2	119.4	147.1
Perpetual American Growth	98.3	114.3	147.1
PK English American Growth	98.5	104.0	147.1
PM North American Growth	98.0	111.3	139.1
Pacific North American	98.8	121.3	148.0
Pro Capital North American	98.4	118.0	140.5
RBC Select North American	98.1	124.4	148.0
Royal Life US Growth	101.7	126.4	161.3
Royal London Amer Growth	97.0	123.0	161.3
Royal Trust PPT US	98.6	112.5	181.6
S&P American Smaller Cos	98.9	118.4	158.5
S&P United States Growth	98.3	118.4	158.5
S&W American	94.8	111.4	147.8
Scott Equitable American	98.8	122.8	148.0
Scott Life Columbia	97.8	118.0	140.5
Scott Mutual North American	100.2	125.0	151.2
Scottish North American	98.5	115.1	151.2
Sentinel American Technology	98.3	127.5	100.3
Sentinel American Growth	94.4	112.5	152.3
SIM American	94.7	112.5	152.3
St Vincent US Growth	100.7	107.8	127.3
Standard Life North American	94.1	114.7	148.0
Stewart Ivory American	97.7	112.7	148.0
Sun Alliance North American	98.3	118.5	148.0
Sun Life American Growth	102.3	118.5	148.0
Target American Equity	97.9	110.8	116.1
Target Technology	98.9	116.6	109.3
Thornhill American Opps	94.3	102.8	189.2
TR American Growth	98.4	116.9	151.1
TSB American	95.4	115.0	151.1
Vanguard American & Gen	97.0	111.5	123.4
Wardley American	94.7	111.5	123.4
Waverley Canadian Balanced Gro	116.8	123.5	123.4

AVERAGE 97.7 115.3 135.6  
Offer to Bid, Income reinvested Source: Opal Statistics

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Date of Birth: \_\_\_\_\_ Tel: Home \_\_\_\_\_

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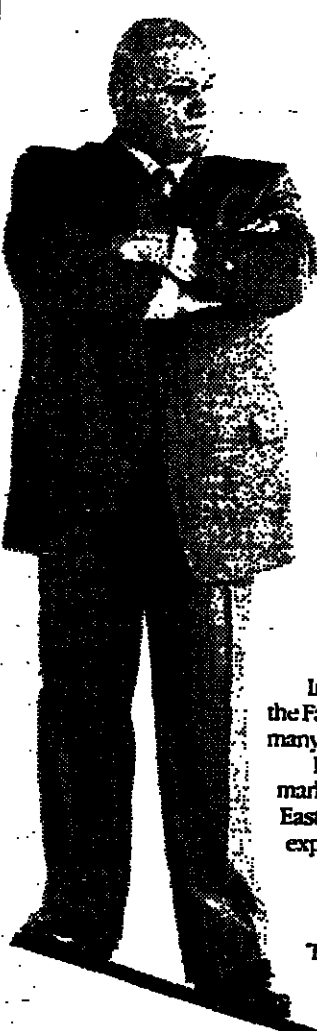
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\*\*Offer to bid 1.10.82 to 1.10.87.  
Net income reinvested. Source: OPAL Statistics

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(If more than one applicant all must sign)  
Surname Mr/Mrs/Miss \_\_\_\_\_  
First Name(s) \_\_\_\_\_  
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### INVESTMENT

The Sharesafe account, launched by Save & Prosper today, offers investors the curious mixture of a bank account coupled with the chance of sharing in any growth of the stock market.

It guarantees that you will never get back less than you pay in, but bases the "interest" it pays on the shift in share prices on the FTSE index, which measures the performance of Britain's top 100 companies.

Technically, Sharesafe is a deposit account run by Robert Fleming, the bank that owns the bulk of Save & Prosper, though the unit trust group will do all the marketing and administration.

You put in your minimum £5,000 deposit, committing yourself for a year. At the end of that time the bank will provide you with half the increase of the value of the FTSE index that has occurred while your money has been in the scheme.

If the index goes up by 30 per cent for instance, you stand to collect 15 per cent. But that interest comes net of basic rate tax, just as it would from an ordinary bank or building society. So in this instance the return falls to 11.74 per cent. If share prices drop, there will be no interest, but your capital remains absolutely unaltered.

At the end of the first 12 months when Save & Prosper declares your interest, you can always withdraw your funds. Otherwise you can "roll over" the total sum, and keep it in the Sharesafe account for another year. But once you do that, the interest you earn in year one becomes part of your capital - and if your basic £5,000 has become £5,500 for instance, you start with a guaranteed £5,500.

The proportion of any increase in the FTSE index you stand to receive in year two may be slightly different from that in year one, though that will depend on interest rates.

How does the plan work? The

bulk of your money will go into government stock, guaranteed to mature within a year, and will provide you with your capital back. The rest will be invested on the options and the futures markets - both are very complex, but broadly they allow Save & Prosper to guard itself now against where the FTSE index will be in 12 months' time. They provide the interest.

The scheme may be new to Britain, but in the United States four or five funds of this type have appeared in the past year or so, and have proved very popular.

The limited risk is not designed to appeal to the traditional unit trust



Paul Bateman: "limited thrills" investors, but to a far wider audience. There are only about 2.5 million people with unit trust savings, according to the Unit Trust Association, but with the bevy of privatization issues they are vastly outnumbered by more than 8.5 million shareholders.

Five million people have applied for BP shares alone. One in four of the adult population now holds shares but most are not risk-takers, according to Paul Bateman, Save & Prosper's marketing director.

"Market research surveys show that the people who moved in to buy Telecom shares, or invest in British Gas or BP, have done so because they believe the price guarantees them profits without any risk," says Mr Bateman.

"Most have large deposits in building societies, and Sharesafe may be the bridge leading them

across to real investment. It offers limited thrills, but the guarantee of no spills at all."

Save & Prosper wants to be sure that the bridge does not buckle under the strain of funds coming in. The bank will not accept more than £50 million, though Mr Bateman has no idea how big an inflow to expect.

Sharesafe certainly has its disadvantages. Most fund managers aim to outperform the index rather than provide their investors with only half the value of any increase. Added to this is the fact that investors are committed to Sharesafe for a year, although the no-loss guarantee provides an obvious counterbalance.

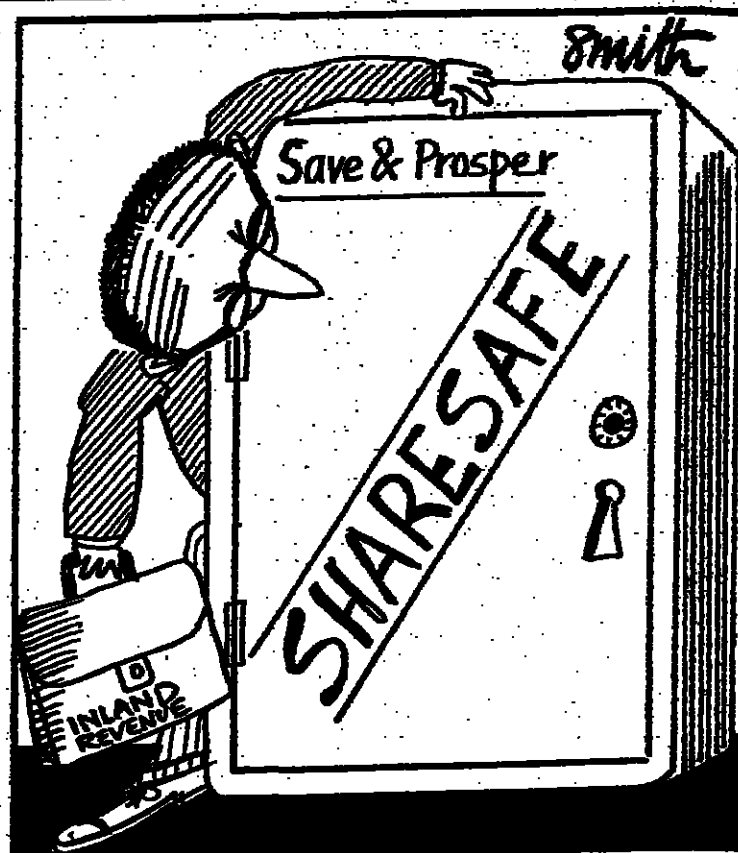
The real problem comes on the tax front. Because the gains on the FTSE index count as income in this scheme, the Inland Revenue's invisible hand takes 24.74 per cent of their value through composite rate tax. That covers basic rate tax only. Higher rate taxpayers will find themselves with an extra bill on top.

That compares badly with what happens on the gains on an ordinary unit trust - for they are effectively tax-free unless you are a big investor.

Capital gains tax does not enter the picture, unless your overall gains exceed the annual allowance, currently £6,600. The effective starting point is always higher than it looks, so you can discount the effect of inflation - at least back to 1982. So you will pay tax only on the gains that actually boosted your spending power.

The way that Sharesafe has been structured ensures that investors lose out at least in tax terms, but Save & Prosper has designed it in that way only to avoid worse tax complications elsewhere.

That is a general disadvantage. The plan is particularly unsuitable for people needing an income on which they can rely. As Save & Prosper stresses, they would have done better with a Sharesafe account than a building society



account in the past 12 years. But investing in the new plan means risking an income that could drop to zero if share prices fall.

For all the caveats, the scheme offers a degree of risk-free investment, which has not been there before. Save & Prosper's problem is that many of the investors it wants to attract are conservative, probably with both a small and a big C, and are not just averse to risks, but to new ideas as well.

The offer is going to be open only until October 16. However, if the scheme is a success, there will almost certainly be other packages like it.

The only product that is comparable comes from Gartmore, which introduced risk-free investment last year with its Safeguard plan.

Safeguard is structured as a single-premium five-year bond. About 70 per cent of the investors'

money goes into providing life cover, and ensuring that they get their money back at the end of the period. The remainder is invested in Gartmore's Global unit trust fund, and provides the profits icing on the cake.

The minimum investment in Safeguard is £1,000, with a guaranteed return of the original investment after five years.

The unit trust marketing men will probably look to the United States for further inspiration. The longer the period of commitment on this type of fund and the higher the interest rates when the plan begins, the more such plans can offer. Merrill Lynch has one four-year investment scheme in the United States that provides not just the money back guarantee, but up to 88 per cent of the increase in the Dow Jones index.

Plans like that could yet appear in Britain.

Tom Tickell

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## Rising price of selling

### PROPERTY

The concentration of estate agency businesses under the control of major financial conglomerates such as the Prudential, Hambros and Lloyds Bank does not mean the service will be any cheaper. In fact, it could turn out to be more expensive.

Trevor Kent, of the National Association of Estate Agents, believes large groups will polish up their service and offer a wide range of insurance and other financial services within their estate agent offices.

They could comfortably charge high commissions, he says, in the knowledge that they are providing the most comprehensive package.

In London at the moment you will pay as much as 3.5 per cent commission to your estate agent, which works out at £3,500 on a house sold for £100,000.

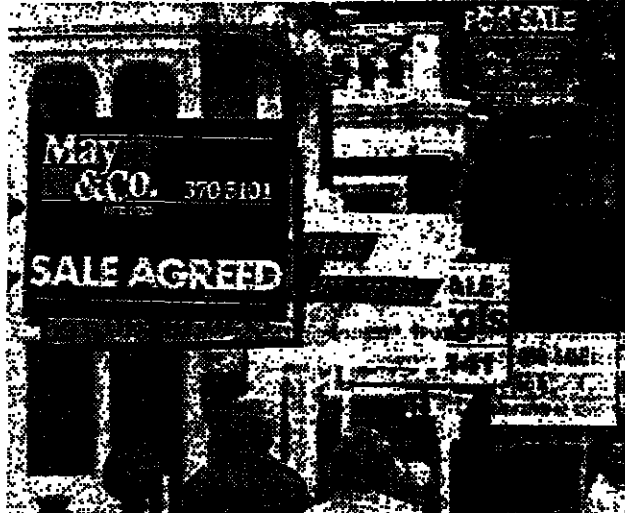
In other parts of the country, commission averages out at between 1.75 per cent and 2 per cent. That is good money for the limited effort expended by most agents on behalf of their smaller clients and one reason why insurance companies, banks and building societies have been so keen to grab a share of the estate agency market.

With control in the hands of the major institutions, there is little chance of a price war. Talk of a commission cartel in London is strenuously denied by all.

Mr Kent takes the view that small firms of estate agents offering a cheap service will attract only small and cheap properties, and will miss out on the more lucrative ones.

The future of the super-market estate agency package offered by Asda in a handful of its stores, is also limited according to Mr Kent. He says: "You cannot offer a proper estate agency service for £100 a house."

The proper service he is referring to involves finding the widest possible market for your house, which may mean



The advice is to shop around - the choice of agents is wide

only local press advertisements and a picture in the agency window.

It is only the large and prestigious properties where the agent's service is vital. In the case of large residential houses, it could involve contact with foreign buyers and advertisements in *Country Life*, where a single black and white page costs £2,000.

Most people begrudge paying their estate agency fees. If the property is sold quickly they feel the agent has not earned his money and if it is

**You may not need an estate agent**

not under offer after a month they feel they have been neglected.

But it is up to you as the seller to ensure that the estate agent's commission is a fair reflection of the job to be done in selling your property.

If you live in an area of great demand, you might not even need an estate agent. If you know how much the property is worth, advertise locally. Use the national newspapers if you want to achieve a wider market. Do not be bullied by local agents who call up to say you are making a big mistake. Their only concern is how much commission they are losing.

Do not agree to give sole agency without at least a 1 per cent discount, because contrary to the estate agent's argument that this encourages greater effort on his part, it encourages complacency because he knows he has got the commission in the bag as long as the property sells.

What advice would Mr Kent offer to sellers who want to get the best from an estate agent?

"Look very carefully at your own property," he says. "Make sure you know its true value and decide the level of marketing needed to sell it. Then investigate the local agents thoroughly. Talk to other people in the area who have sold and count the sale boards to give you an idea of which agents are selling the most properties."

"Look at the quality of their advertising in the local paper. For most people it is a gut reaction; you decide you like the way someone presents himself."

"But do not decide by choosing the agent who gives you the highest valuation on your property. Any fool can get an instruction by putting an extra £10,000 on a valuation. But then you'll wonder why it won't sell."

Richard Newell

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Member of the Laurentian Group. Group interest earned £4.6 million.  
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## FAMILY MONEY/6

## NS full of surprises

## SAVINGS

Not long ago building societies were constantly looking over their shoulders at the Department of National Savings.

Now it is the privatization issues that are regularly draining off their funds and the DNS is keeping a relatively low profile.

Could it be that Mrs. Thatcher's much preferred share-holders to government-backed savers and that the savings director John Patterson and his team have been quietly asked to keep their heads down? With the BP autumn sale imminent it would not do to have money diverted elsewhere.

"Not at all," a DNS spokesman said. "We are currently advertising our income bonds."

After the NS August figures, close watchers of the savings scene may quite reasonably have been wondering whether a new certificate was on the cards. During the month there was a net outflow of nearly £13 million from the 33rd and previous issues.

The spokesman said: "As far as I know, there is no immediate replacement planned. Changes tend to be made in accordance with money market rates."

However, if the DNS gives the appearance of a dog dozing at the moment it still has all its teeth. Until recently it was set a target contribution to government funding. To make sure the target was reached, the DNS was allowed two advantages over its rivals.

One was that as the taxpayer foots the bill, it was able to outbid other savings institutions on interest paid to depositors. Competitors could not afford to keep up.

The other advantage was that when everyone else was forced to deduct tax, National Savings was allowed to go on paying interest gross on key products.

It still has those advantages, and it can activate the former whenever it pleases. If the inflow of funds looks as if it will dry up too much on normal competitive terms.

This is why savers should always keep an eye on National Savings for an unexpected "best buy". There have been many in the past.

One that is invariably up with the best is the investment account, on which the interest is paid without any tax deduction. It is ideal for children and others who pay no tax. A snag is that a month's notice of withdrawal is demanded. The investment account is the biggest NS money-puller at the moment.

Next is the income bond, on which interest is also paid gross, although it should be remembered that in both cases interest in taxpayers' hands is taxable with other income.

Income bonds are sold by the £1,000 and the minimum holding is £2,000. Interest is payable monthly - into a bank or building society account if required. Money can be withdrawn only on three months' notice.

The current 33rd issue certificate was introduced at the beginning of May. "It's not an exceptionally long period between changes," said the DNS spokesman.

The rate of return is 7 per cent, but only if the bond is held for the full five years stipulated. Guaranteed rates of this kind are attractive to those who believe that over

**Established service now expanded**

the investment period the average rate will come out lower. To judge by the August results this does not appear to be the view, although there is still a healthy £110 million that says otherwise.

It could be that the minus result for August was due largely to cash-ins of older certificates, as the maximum holding in the 33rd is only £1,000. However, it does not seem sensible to cash in now, or indeed until the bond has been held for a year. Interest of 3.5 per cent will then be paid, otherwise not.

National Savings announced this week that the tax-free general extension rate applying to several earlier

issues of savings certificates goes down from 7.02 per cent a year to 6.51 per cent with effect from October 1. The general extension rate is a variable rate applying to specified issues of savings certificates that have completed their fixed period terms.

For more sophisticated investors, government stocks listed on the National Savings Stock Register may be bought through post offices. This is a well established but not over-used service that has now been expanded.

Gilt-edged stocks, which are traded on the stock market, are normally bought and sold through stockbrokers. Once a new issue has been traded it may be added to the register's list of "secondary" stocks.

From October 9 new gilt issues may be bought from the Bank of England and the purchase registered with National Savings. This gives the purchaser the benefit of cheaper costs and, as with other NS investments, the opportunity to have interest paid gross.

Tax is normally deducted from dividends from stock held on the Bank of England register before they are paid.

The first eligible new stock issue after October 9 will launch the new service. Newspaper prospectuses will indicate which new issues qualify, and buyers wishing to opt for the NS register will be able to do so on the Bank's registration form.

The NS register itself is also to be increased by 21 stocks to bring the list up to 70. Up to £250 may be invested in any of these for £1, including VAT. For every additional £125 a further 50p is charged.

For selling the charge is 10p for every £10 up to £100. Sales of £100 to £250 cost £1, and over £250 the commission is £1 plus 50p for every additional £125.

Stock may be bought in a child's name but cannot normally be sold until the child is seven years old. An up-to-date list of stocks on the register can be obtained from the Bonds and Stock Office, Blackpool FY3 9YP.

Joe Irving

## CONTRACTS

Does a contract always have to be written? The simple answer is No. Specialist lawyer STUART DUNCAN advises

The circumstances under which written contracts are essential and verbal contracts are acceptable vary widely. It is possible, for instance, to contract to buy an aeroplane for millions of pounds by word of mouth, but if you guarantee somebody else's £10 debt it has to be supported by a signed document.

To a lawyer, a contract is simply an agreement with legal effect, but to non-lawyers a contract probably signifies a binding agreement in writing. The common mistake therefore occurs that oral agreements cannot be legally enforced.

For a contract to exist there are three basic requirements. First, the parties have to share a common intention to be legally bound; secondly, there has to be agreement of the essential terms; thirdly, there has to be consideration, which can be described as obligations on both sides.

The existence of these three requirements can be demonstrated if, in the first instance, two friends arrange to play tennis and one does not turn up. The other cannot bring an action in law because there would not have been an intention to create a legal relationship.

In the second instance, it would be useless for the seller of a donkey to contract with the purchaser of a horse for there would be no agreement between them.

**Problems in proving the spoken word**

Lastly, if your uncle promises you a car on your 18th birthday and fails to deliver, you cannot sue him unless you have done something in turn such as agreeing not to smoke cigarettes at his request.

As a general rule the law does not require any particular form for a contract. However, if a contract is not in writing, there can be obvious

## Word of honour, it's good enough

problems in proving what was said. There could be a genuine misunderstanding or, more likely, it may suit the other party to lie.

So, although an oral contract may have legal effect, it is always best to put it in writing.

As with many rules of law there are always exceptions. To have legal effect some contracts have to be in writing, some supported by written evidence and yet others

require notices or other aspects to be in writing. Most people know that contracts for the sale or purchase of land have to be in writing. Strictly speaking, this is not actually so, but under the appropriate Act you cannot bring proceedings on contracts for the transfer of land unless there is a memorandum in writing signed by the person who is to be sued.

A great deal of technical law arises out of this provision and it should be noted that under the legal doctrine of "part performance" it is in fact possible to bring proceedings although no written memorandum exists.

The term "subject to contract", which basically indicates an intention not to be bound by a document so headed, has also created a great deal of legal precedent.

It is common practice for correspondence to be marked with this term so that the seller and purchaser do not become legally committed until there is a formal contract. Omission of the term on a series of letters may well lead to the letters constituting a memorandum.

Contracts of guarantee have to be evidenced in writing by a signed document, as an oral promise to pay somebody else's debt is not enforceable. However, an indemnity can be oral and there are a number of cases drawing the distinction between the two.

In short, an indemnity is an undertaking to be primarily and totally responsible for the debt, whereas a guarantee is an undertaking to pay if the debtor does not.

An important example of a contract that has to be in writing is a regulated agreement under the 1974 Consumer Credit Act. This covers, in particular, credit agreements that do not exceed £15,000 for which there are detailed provisions under the Act. Not only do such agreements have to be in writing, they must also be in a specific form and contain notices to the borrower as to his rights.

The Act is an important aid to consumer protection for, if its terms are breached, the normal consequence is that the lender cannot even recover his capital without going to court - in which event the court has wide powers as to the orders it can make.

The parties to a contract may themselves require writing so that, for example, if in a magazine there is a special

offer and there is a requirement that a coupon should be returned duly signed, no agreement will be reached unless the reader conforms with this procedure.

The lesson in all this is not to assume you are legally bound when an agreement is written and not to assume you are not bound when an agreement is oral.

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## The September mixture

There are no clear major winners at the top of this month's unit fund performance statistics.

Janis Barry, of Barry Asset Management, believes that this fragmentation is in itself significant. "It highlights the position that fund managers are in at the moment. They are becoming less inclined to go for broke in one market."

"Instead, they are having to concentrate on the quality of stock selection. It's the classic sign of the latter stages of the bull market."

During September most markets began to look more settled, and by and large, picked up. Currencies were at the forefront of most people's minds because of the meeting of G7, which took place in Washington this week.

The largest market, the United States, remains largely out of favour with UK investors because of the weakness of the dollar in relation to sterling.

At home the UK recovered its poise after the rise in interest rates back in August, and the stock market has been fairly quiet. The inclusion of both private investors and institutions appears to have been to sit on the sidelines and wait for the sale of the Government's remaining 31.5 per cent stake in BP.

Europe as a whole has been subdued. Mr Barry believes the noticeably poor performance of West German specialist unit trusts over the 12 months to October 1 is

down to the disappointing performance of the German market at the start of the year. Added to this is the fact that the period monitored no longer includes the strong moves experienced in West Germany in the middle of last year.

In the Far East Japan enjoyed a good month. It has now completely recovered its poise and is again close to all-time highs. This draws attention to the abysmal performance of Gartmore's Japan fund, which has lost 20 per cent in the past 12 months.

Thanks to a good trade position and improved com-

pany profits, the Hong Kong market is booming and this, coupled with a strong performance in Australia, has benefited Far East trusts, which tend to have a marked exposure to these countries. In Australia, the feeling is that commodity prices are improving and corporate activity has been picking up.

The poor performance of funds invested in gilts and fixed interest stocks over the five year period is no surprise at a time of bull markets.

American unit trusts, pages 34 and 35

## UNIT TRUST PERFORMANCE

Value of £100 as at October 1, 1987

THE BEST		THE WORST	
One Year	Five Years	One Year	Five Years
Waverley Asset Gold	283.0	Fidelity Spec Sits	864.1
Manville Smelter Cos	247.1	Fidelity Japan	733.8
Brown Shipley Recovery	234.2	Brown Shipley Recovery	718.2
Govett UK Spec Ops	232.9	Guinness Mafion Recovery	698.1
Abbey Commodity & Engr	218.8	Hill Samuel Sml Cos	685.5
Dynalco Smelter Cos	218.5	Antwerp Growth	685.2
Siebo Special Sits	217.8	Key Income	681.6
Windsor Growth	217.5	Prudential Spec Sits	678.1
Govett Gold & Minerals	213.6	M&G Midland & General	673.2
NIM Australian	209.5	GT European	643.6
Average	140.1	Average	368.9
Swiss Life Fed Int	86.5	Barclays Uni GR FI	137.8
GT Germany	85.1	M&G Mafion Uni Eur	137.9
Abbey European Cap	92.4	M&G GR & FI Inc	133.5
Hambros Amer Equity Inc	91.5	Alfred Dunbar Govt Secs	132.6
Lloyds Bank German Gwth	91.1	Abbey GR & FI	130.0
Brown Shipley Germany	82.5	M&G Mafion GR	129.9
Abbey Worldwide Bond	87.1	Henderson GR	128.4
Beckman Int Capital	86.9	S & P GR & FI	128.4
Sun Alliance World Bond	84.1	Gartmore Int GR	126.0
Gartmore Japan	79.9	WNI Schroder GR & FI	120.7

Offer to bid basis  
Income reinvested

Source: Opal Statistics

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## Masterpieces from the gold and silver people

### COLLECTING

Visitors making an annual pilgrimage to the magnificent Goldsmiths' Hall in the City of London will not be disappointed. This year's Goldsmiths' Fair promises to be better than ever.

There were eight applicants for every one of the 78 stands. The selection process was rigorous. One criterion was that exhibitors must work in units of three or under.

The Goldsmiths' Company hallmarks 170,000 items in platinum, gold and silver weekly. Yet this is a people's fair as well as a connoisseurs'.

It introduces a wide range of

talents at prices to suit everyone's purse.

About 20 silversmiths will be displaying their masterpieces. It seems unfair to name individuals, but Tom Jones will be showing a four-piece tea and coffee service, combining the elegant proportions of a Georgian era with contemporary design (about £4,500), and a silver backgammon set (£1,200).

Michael Bolton, the Kent Master Silversmith and a founder exhibitor, also blends the traditional with contemporary thinking in much of his work. His silver spoon collection uses assay marks often in the design (£30-£350) and are most collectable. His heavy

jewellery needs courage to wear but has a faithful clientele.

Exhibiting for the first time is Rod Kelly, a silversmith chaser, who has already had commissions from the Goldsmiths' Company.

Fine enamelling, like diamonds, survives fashion and is always in demand. Two well-known enamellers at the fair are Frederick Rich and Maureen Edgar.

Frederick Rich is known for imposing presentation pieces, such as the magnificent necklace he made in 1984 as the Trainer's Prize for the King George VI and Queen Elizabeth Diamond Stakes.



It's all here: the Goldsmiths' Hall in the City of London

Maureen Edgar can be relied on for delicate silver enamelled ear-rings (£58-£170). The more expensive are set with cubic zirconium. She also makes cloisonné-enamelled napkin rings (£180 each) and heavy silver whisky tumblers in one-colour enamel, finely decorated with 24-carat gold (£600 each).

For figurative jewellery, Lord Dick comes immediately to mind. She uses dragons, frogs and snakes on brooches, rings, necklaces and ear-rings.

Most are priced at between £20 and £40.

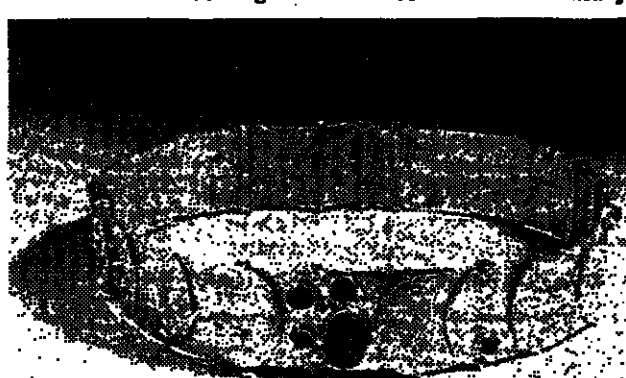
It is surprising what lovely and varied colours can be obtained by simple colouring methods on metal surfaces. Exponents at the fair will include Pauline Gainsbury, Brian Eburn and Nina Embury and Julie Anne Palmer. Prices are still moderate for what may become tomorrow's collectable, such as art deco and art nouveau. Pauline Gainsbury's range of jewellery and smallwork is from £12 upwards.

Investing in names is tricky, as it may be the last thing a dedicated designer is aware of. Much depends on personality, perseverance and the luck of the individual.

Buying jewellery and silverware is like buying a house. Maintenance and insurance are required. But, as a token of love, the rewards can be great.

Arda Lacey

Goldsmiths' Fair, Goldsmiths' Hall, Foster Lane, London EC2V 6BN. Times: October 5 to 9, 11am-7pm; Saturday, October 10, 11am-5pm



On show: silver belt set with semi-precious stones, valued at £1,500, and patterned hand-made silver spoons, £30 to £300

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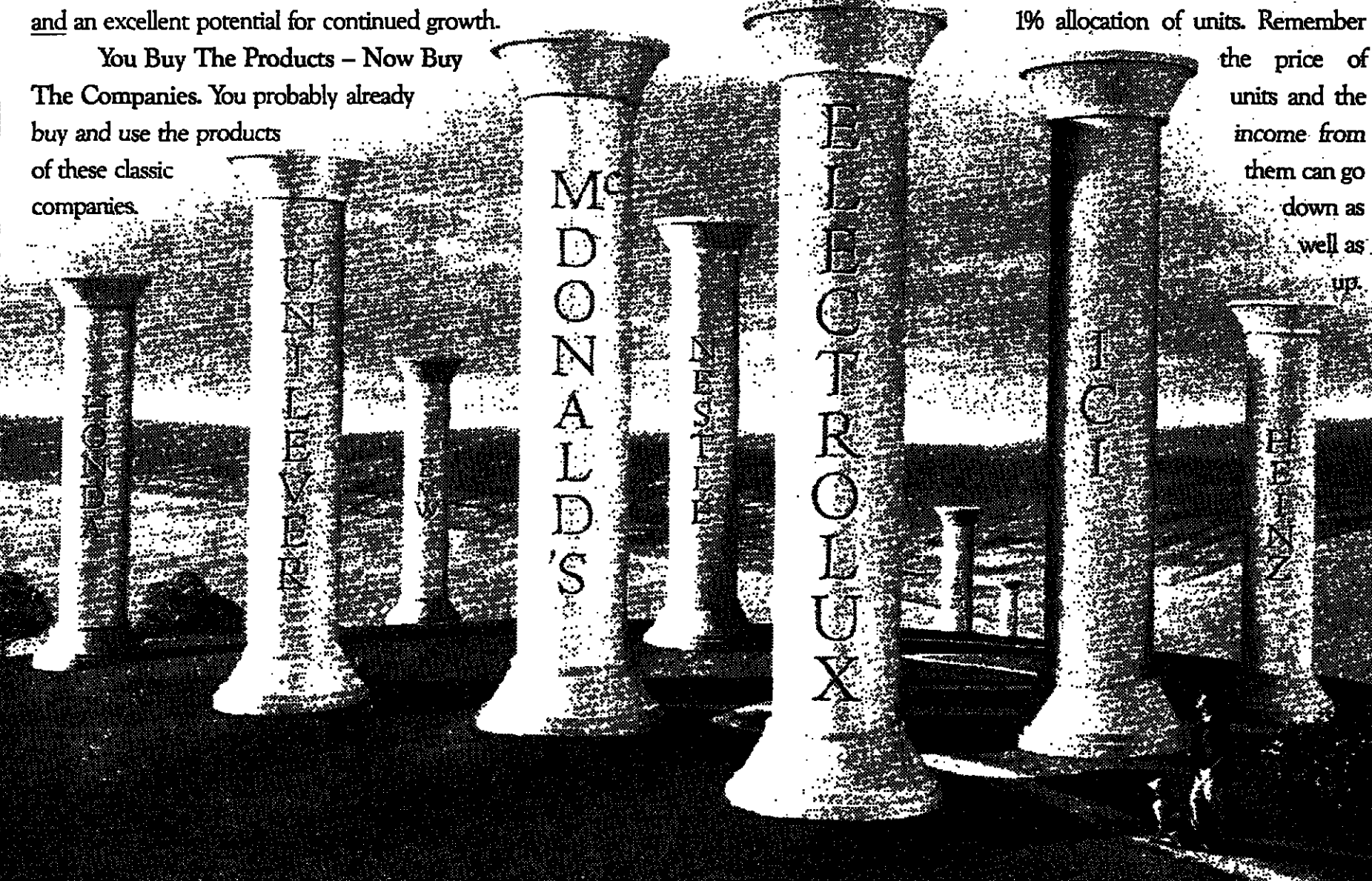
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This offer is not available in the USA or to residents of the Republic of Ireland.

## Tenants and landlords are offered a new deal

The Government's White Paper on housing, published on Tuesday, is intended to transform the rented housing market. Support for owner-occupation, up from 57 to 65 per cent since the Conservatives took office in 1979, continues to be a main objective, but the new thrust is in the rented sector, the aim being to give council and private tenants a better choice.

The Government is as eager to revive the private rented sector as it is to wrest control of public housing from local authorities and give the tenants the right to transfer to another landlord or to own and run estates themselves.

The private rented sector has dwindled as council housing and owner-occupation has increased, and Nicholas Ridley, the Environment Secretary, puts the blame on too much control. He said: "In most of our industrial competitors the private rented sector flourishes. Those wishing to rent need homes available in the right place and at the right price. Private landlords in turn look for a reasonable rate of return on their investment."

He is confident of meeting the needs of both, but others, including the house-builders, who are constantly being urged to invest in the private rented sector, are not so sure.

Rejecting the idea of abolishing all controls and allowing landlord and tenant to settle rent levels and the degree of security of tenure,

the Government proposes two sorts of tenancies for new lettings - there are to be no substantial changes for existing tenancies.

The first is to let on an "assured" tenancy basis, with rents freely negotiated between landlord and tenant, but with security of tenure protected. The second is "short-hold" letting, with no security beyond the tenancy period but with the right for either party to register an appropriate rent.

The Government hopes assured tenancies will bring in more landlords, partly by removing the restrictions that landlords who are individuals cannot now grant assured tenancies, and partly by abolishing the requirement for landlords of assured tenancies to be approved by the minister. The policy is also to remove most of the remaining controls over new lettings by resident landlords.

For short-hold tenancies the rent will be at the market level but will reflect the degree of contractual security the tenant has been offered. The minimum length of a short-hold letting will be reduced from 12 to six months.

Rents will be at free market levels to enable landlords to get a reasonable return on let property and to give the tenant improved security. The unanswered question is what level of rents.

Christopher Warman  
Property Correspondent

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## FAMILY MONEY/8

## How a couple cover for tragedy

## INCOME

Peter and Ann have two children under the age of two. Peter is 27 and he earns £27,000 a year, and Ann, who is 24, earns £1,800 a year from a part-time job.

With the £45,000 mortgage on their £60,000 home it is still a bit of a squeeze but there is a little money left over from the pay cheques most months.

Peter's pension scheme will provide a retirement income of nearly two-thirds of his final salary if he continues to work for his present employer. The scheme also provides death-in-service lump sum cover of £54,000 — twice salary — as well as a permanent health insurance scheme.

He has life insurance cover of £45,000 in the form of a mortgage protection policy, but Ann has no life insurance cover at all.

They are worried that if either of them dies there will not be enough money to support the children and provide school fees. They therefore decide to try to calculate the financial consequences of either of their deaths.

If Peter died, several rather drastic things would happen. His salary would stop and the company car would have to be returned. This would represent a net loss of roughly £20,000 of income after tax, including the real value of the company car.

Then there would be the loss to the household of Peter's skills as a do-it-yourself and maintenance enthusiast around the home.

Ann thinks that if she had to live on her own with two small children, she would be unable to find the time and energy to cope with repairing the car, mending the odd broken win-

dow and decorating the dining room. She would probably also need extra money for transport and taxis.

Education would be another problem if Peter died. The couple would like both the children to be privately educated and the plan is to send them to day schools. However, if Peter died, Ann would like the option of sending them to boarding schools, and having the option means having the money.

They have ascertained from a school fees planner that

cards, hire purchase and personal loans. The right amount to set aside for this appears to be about £5,000.

On Peter's death, state aid for Ann and the children on a long-term basis would come to roughly £3,000 a year at 1987 prices.

The couple think that if Ann were a young widow she would probably need around £13,000 a year to live on in addition to these state benefits and that this amount would have to keep pace with inflation. They would also need

the cover to provide security for Ann should last at least until Peter is expected to retire. After he has retired, it is difficult to see why insurance would continue to be needed.

They then have to decide whether to choose term assurance or the sort of cover that also has an investment content, such as unit-linked whole life assurance. In fact, the two can be virtually indistinguishable because some whole-of-life assurance policies may be almost entirely protection-based and contain a very low savings element.

● A convertible term assurance policy for a 10-year period, renewable for further 10-year periods up to the age of 60 or later. The sum can be increased periodically but initially it is for a sum assured of £40,000 and is intended in the shorter term to cover the school fees requirement.

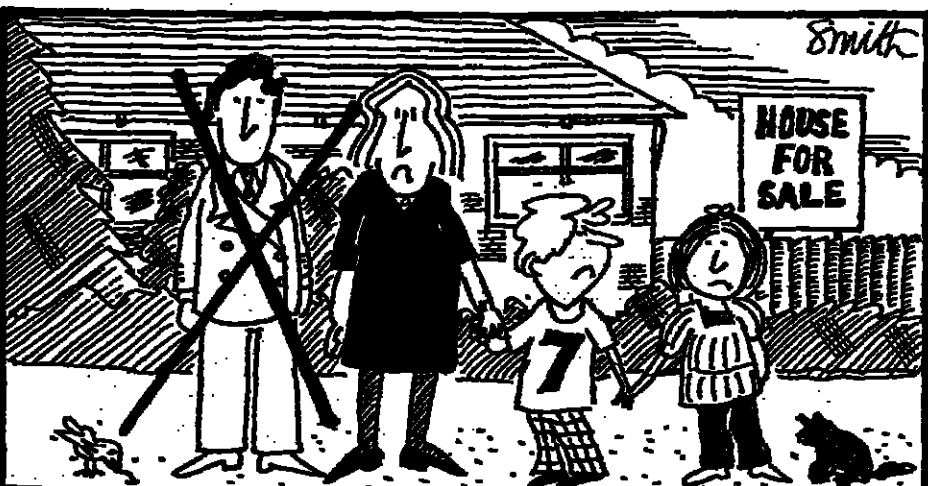
● Another term assurance on Peter's life on exactly the same basis for cover of at least £100,000 to provide a sum for Ann's retirement when the family income benefit stops. With the existing cover from the pension scheme taken into account, this would provide total insurance for this purpose of about £150,000. If possible, Peter should try to persuade his employer to increase the life cover under the pension scheme from twice salary to four times salary — the Inland Revenue limit.

● Finally, mortgage cover under a joint life policy arranged on a low-cost endowment basis. This means that the mortgage can be paid off if either of them dies.

They decided, however, that just paying off a mortgage is not enough cover to provide against the financial disaster of Ann dying. They therefore take out insurance cover that will provide an additional £10,000-a-year tax-free family income benefit in the event of her death during the term of the policy. Because Ann has non-pensionable earnings, the cover can be taken out under pension plan rules and the premiums will be tax-deductible.

As far as possible, the policy should be either written in trust or taken out by the other spouse so that there is no delay in paying out the proceeds on death.

Danby Bloch and Raymond Godfrey



funding the total likely school fees bill on this basis would require a cash sum of about £35,000 invested now.

They would like to be able to pay off the mortgage if Peter died. In fact, Ann would probably pay off only the excess borrowing over £30,000 and allow the investment income and gains from the investment to cover the net interest. This would save tax and also provide cheap and handy liquidity.

They would have to bear in mind funeral costs, credit

£40,000 cover for the mortgage and about £35,000 for the school fees.

The income should be set up in order to last for the whole of Ann's life, and she should have some kind of capital base to provide an extra safety net for her own security in the longer term. They would like to be able to help the children with university fees and buying their own homes.

For how long is cover needed? In order to provide for the children, 25 years are probably the maximum, but

However, one of their objectives is to keep down the cost of insurance planning to the bare minimum so that they can devote some of their resources to building up funds for school fees. Bearing these criteria in mind they decide as follows:

● A family income benefit policy on Peter's life where the annual benefit increases by 10 per cent a year until the end of the 25-year term. This will generate £13,000-a-year net income at today's values to cover living expenses.

## New hitch in Laker's wake

## TRAVEL

Visitors to the United States who want to pay for their transatlantic flights with vouchers arising from the Laker collapse face an unexpected obstacle — the imposition of a twelfth, unwritten, condition.

The vouchers for British Airways, PanAm or TWA flights, must be presented before you get your ticket.

These airlines and some travel agents insist that the £20 million worth of vouchers cannot be used to settle an account — even for an appropriate flight — after the ticket has been made out. No warning of such a condition was given with the vouchers.

The three airlines were accused of having conspired to cause the Laker Airways crash and to have overcharged passengers who flew across the Atlantic between February 1982 and July 1984.

To settle the case — the North Atlantic air travel anti-trust suit in the United States — the three paid a total of \$30 million, equivalent at the time

to £20.4 million, into a compensation fund.

Large advertisements appeared in newspapers on both sides of the Atlantic and nearly two million claims resulted, some people claiming in respect of more than one flight.

For every accepted claim they received a voucher for £11 or \$17, which can be used only in payment for further transatlantic flights on any of the three airlines.

There are various other conditions, 11 in all, in small print on the back of the vouchers, which expire in 1992. They cannot be transferred or encashed and will not be replaced if they are lost or destroyed.

There is nothing, so say, however, that the vouchers must be used in pre-payment. This most affects people buying an Apex ticket because the traveller may not have time after learning of the unwritten rule to cancel a booking and buy a fresh ticket qualifying for the cheap fare.

It also affects business travellers accustomed to settling

their travel agent's account on a monthly basis.

In practice, enforcement of the rule varies. Some branches of Thomas Cook and American Express Travel, for instance, professed never to have heard of it, whereas others it is strictly enforced. One said it would accept the vouchers and "make appropriate adjustments" with the airline by amending "an error or oversight".

Paul Foster, director of the Hogg Robinson travel agency group, where the condition is strictly observed, said:

"It is not our rule and we are not alone in imposing it. If other agencies are taking the vouchers late, I'd like to see how they do it. We have to notify the method of payment and the voucher numbers as we issue the ticket, inform the airline of the sale and make the reservation. It is entered on the ticket counterfoil."

Some smaller travel agents, on condition of anonymity, offered to accept the vouchers for travel anywhere at any time. "We can sort out the paperwork," said one.

John Roberts

# With the new GRE Income Trust, your money needn't retire when you do.

While you're working, your income keeps on rising. In fact it may rise a lot faster than prices. But what will happen once you retire?

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But that's not all. Because the trust is invested in growing companies, we expect to

increase your capital as well as your income, so providing a further hedge against inflation.

Although we can't make any promises on performance, income trusts have proved consistently successful in achieving capital growth.

In addition to which our own record speaks for itself. Our investment team is part of the Guardian Royal Exchange group and is one of the largest and strongest in the City, with an enviable reputation.

Which is not surprising when you look at their results. Of the eight GRE trusts which have been established for three or more years, two are the top performers and another two are in the top ten of their respective sectors.\*

## 2% bonus

Because this is a new trust we are offering a special discount of 2% on all units bought. But you'll have to apply quickly, as this offer closes on 9th October 1987.

The offer price is 100p per unit and the minimum initial investment is £500.

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\*Planned Savings statistics for the three years to 1st September 1987.

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Applications will be acknowledged on day of receipt. Certificates will follow within 42 days.

Reimbursements will be paid to qualified intermediaries. Rates are available on request.

Income, less income tax, is distributed by the Trustee on 31st January and 31st July each year together with tax vouchers. The first distribution will be on 31st July 1988. Unitholders may have their income, net of tax, reinvested on 31st January and 31st July each year, in which case a tax voucher and up to date advice of the unitholding are issued on the distribution dates.

Reports on the progress of the Trust are included with each tax voucher distribution.

Management charges as permitted by the Trust Deed are a maximum annual charge of 2% and a maximum annual charge of 2% (plus VAT). At present the annual charge is 1% and the annual service charge, based on the value of the Trust and deducted from its income, is 1% (plus VAT). Should these charges be varied, at least 1 month's notice will be given.

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The Trustee is Midland Bank Trust Company Limited.

The Managers are Guardian Royal Exchange Unit Managers Ltd., 35 Fountain Street, Manchester M2 2AF.

Member of the Unit Trust Association.

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Surname (Please use Mr/Ms/Ms/Ms) BLOCK CAPITALS PLEASE

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## Setting the targets for retirement

### PENSIONS

A comfortable retirement is what it's all about. Some of us may make it as a result of the Government's pension revolution. For others it could be the hard road of the basic state pension.

We all know the SERPS story by now - how next year we can opt out of it with a personal pension, or how our employers can do this with a straightforward group scheme. All it needs is for a minimum amount of our earnings to go into these plans. And to make it really easy, this minimum amount is equal to the National Insurance contribution (NIC) rebates - so it will not affect our take-home pay.

So, you opt for a personal pension and use it to contract out. You put your NIC rebates in, the 2 per cent bonus if you are eligible, the dash of income tax relief and perhaps a little of your money every month. Say you invest it all in Australian gold mining shares through some unit trust over 25 years.

Come retirement, at one extreme you could be riding high; at the other there could be nothing in the kitty to buy your pension with. No good whingeing to Margaret Thatcher then, or to your employer if you had opted out of his scheme.

By giving you freedom, the Government has also reintroduced the possibility of poverty in old age - the very thing SERPS was brought in to abolish.

In order to make personal

pensions work and in order to get more employers to provide group schemes, the Government had to do away with the concept of providing guarantees of standards of living in old age.

This is why the Government is granting the ability to contract out, using mere money-purchase schemes to meet the limited contributions requirements.

All over the country insurance companies are dusting down their old money-purchase group schemes and refurbishing them for 1988. There is nothing too dramatic about this as money purchase has long been used for individual pensions such as S226 policies for the self-employed and executive plans.

Under the money-purchase approach, your own and your employer's contributions are accumulated in a separate account for you. At retirement date your pension is bought from the total fund that has been built up. What, you might ask, could be fairer? Well, for one thing, a pension that is related to your earnings at retirement.

That, in fact, is the crucial difference between the money-purchase outcome and the final salary approach - providing for your pension. With money purchase there is no guarantee that what you get as pension will relate to your earnings just before you retire.

It is a lottery, and it depends on the amount of contribution, the period of repayment, the investment return and annuity rates at retirement.

Under an employer's final salary scheme, depending on how long you have been in it, you will normally get a pension of half or two-thirds of pre-retirement pay.

This is a predicament faced by all relying on the money-purchase method, quite apart from the risk that their investments may go sour if they are using the unit-linked approach. This investment risk is likely to be secondary to the one that your pension will not be sufficient to maintain your standards of living when you retire.

There is a way of getting to

The table shows the proportion of earnings that is required to provide a pension of two-thirds of earnings at age 60, assuming three different "real rates" of return (that is, excess of investment returns over the individual's own wage inflation rate) of 1 per cent, 3 per cent and 5 per cent, throughout the period from start to retirement. The returns are net of all policy charges.

Age at Start	Rates of Return					
	1%	3%	5%	1%	3%	5%
25	14	24	9	16	6	11
35	20	36	15	27	11	20
45	35	63	30	53	25	45
55	111	199	105	187	99	176

(a) shows the proportion of earnings needed to obtain a level pension at age 60 of two-thirds of earnings at retirement and includes a widow's pension of one-half. (b) shows the proportion of earnings needed for a two-thirds pension that in payment will rise in line with RPI and includes a widow's pension of one-half.

Source: Equitable Life (annuity rates current October 1, 1987)



ACTUALLY, THAT'S MY WIFE. SHE STARTED PAYING INTO HER PENSION SCHEME 20 YEARS EARLIER...



grips with this quandary - you can adopt what is called the "targeting benefits" approach. Essentially, it is a matter of getting the insurance company to make a calculation showing the proportion of your current income you need to contribute throughout to your expected retirement date to achieve a specified level of pension, such as half or two-thirds your final salary.

The table shows the proportion of earnings - or what pensions people call the "rate

### Choose your pension provider carefully

of funding" - you need to contribute to provide a pension of two-thirds of your final earnings at the age of 60, including a widow's pension of one-half on death during retirement. The table also shows the funding rate for a pension index-linked to the RPI, with a similarly indexed widow's pension.

The funding rate obviously varies with the age of commencement and whether the pension is RPI-indexed or not. It also varies with what is termed the "real rate of return". This is the crucial rate. It is the excess of the rate

of return achieved on the policy or scheme investments over your own personal rate of wage inflation throughout.

Obviously, the higher this rate turns out to be, the lower the contribution rate has to be. So if you assume a 3 per cent real rate of return and your salary goes up by 13 per cent during the year, your investment return has to be 16 per cent, for your contribution rate to remain unchanged.

Clearly, the funding rate would be reduced if you chose a later retirement date to work to or a lower pension level or excluded the widow's pension. The pension rates do fluctuate with interest rate changes.

The significant difference a small increase in investment return makes should highlight the need to choose a pension provider with investment skills. That the returns are assumed to be net of all policy charges also emphasizes the wisdom of choosing a provider with low charges.

The overall conclusion has to be that providing pensions to this level is an expensive business - more so than is generally realized. But there is a little catch. Under current S226 legislation, the maximum you can put into a policy is 17.5 per cent of your relevant earnings - though this is increased for older ages and next year will be increased further for contracted-out personal pensions.

If you are in your employer's scheme the maximum is 15 per cent of your earnings, including any additional voluntary contribution arrangement, though your employer's contribution is not counted towards this limit.

So the Inland Revenue may have your standard of living in retirement severely curtailed, unless you start the pension game at a very early age.

Fennell Betson

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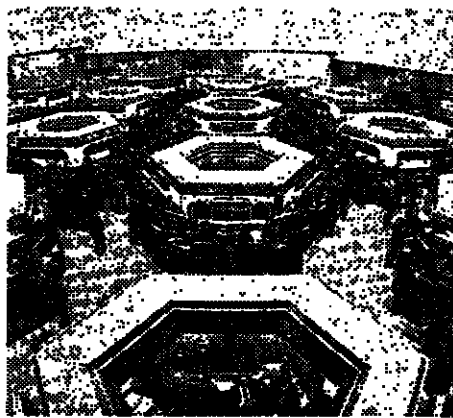
ShareSafe Deposits are made with Flemings - the established City merchant bank. Save & Prosper Group Limited one of the best known UK investment houses acts as its agent. Robert Fleming Holdings Limited is a major shareholder in Save & Prosper Group Limited and, as at 30th June, 1987, managed over £26 billion on behalf of over half a million clients.

### FOR YOUR INFORMATION

\* The Stock Market will be measured by the Financial Times - Stock Exchange 100 Share Index. The index's movement will be measured between 12.00 noon on 21st October 1987 and 12.00 noon on 21st October 1988 only and will be certified by a Member of The Stock Exchange.

† If you wish to deposit more than £50,000 or you are an overseas resident, a corporate depositor or trustee of a discretionary trust you may be able to receive your interest gross. Please contact your professional adviser before investing.

‡ These figures assume a Building Society interest rate of 8.5% net that you are a basic rate taxpayer and that the liability to basic rate income tax has been discharged.



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### HOW TO APPLY.

To invest, please complete the application form below and post it so it is received by us no later than 16th October, 1987 - for Flemings to establish the exact amount to be deposited. The total amount of deposits which will be accepted cannot exceed £50m. Applications will be processed on a "first - come - first - served" basis, although Flemings reserves the right to refuse any application.

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BLOCK CAPITALS PLEASE

Title (Mr/Mrs/Miss) \_\_\_\_\_ 1st Applicant

Surname \_\_\_\_\_

Forenames \_\_\_\_\_ 2nd Applicant

Title (Mr/Mrs/Miss) \_\_\_\_\_

Surname \_\_\_\_\_

Forenames \_\_\_\_\_

Address \_\_\_\_\_

Postcode \_\_\_\_\_

Tel: (STD Code) \_\_\_\_\_ No \_\_\_\_\_

Existing Save & Prosper Acc. No. (if any) \_\_\_\_\_ 741/39/BA

I am/We are aged 18 or over.

Signature (in the case of joint accounts each must sign) \_\_\_\_\_

Date \_\_\_\_\_

Date \_\_\_\_\_

Date \_\_\_\_\_

Flemings will notify you as soon as possible if your application has been successful. Unsuccessful applicants will have their cheques returned.

Robert Fleming & Co Limited acts as principal. Save & Prosper Group Limited acts as agent in administering and marketing the ShareSafe Deposit accounts.

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## FAMILY MONEY/10

# Maligned, by the debt that never was

## CREDIT

When Shakespeare shrugged off the theft of a purse as "nothing, 'tis something, nothing..." he used this petty larceny to emphasize the more serious crime of robbing an innocent victim of his or her good name.

Fortunately, from a literary point of view at least, the Bard lived and died in a world still empty of computer credit-checking systems.

Robert and Teresa Bates, of Westcliff-on-Sea in Essex, were not so lucky. They fell temporarily foul of a false computer entry that left them doubly disadvantaged, losing a bank loan they needed and being accused of failing to pay debts they had not incurred.

Mr Bates works for a company in the financial services industry. He and his wife have an unblemished personal credit background, so they expected no problems when they applied for an unsecured bank loan. It came as a nasty shock to be turned down, with the bank refusing to disclose any reason for its decision.

However, knowing a little about credit-checking, Mr Bates fired off letters to three of the biggest rating agencies, Infobank and Registry Trust, replying promptly and the information they held on the Bates' family's background was perfectly accurate.

But the third agency, CCN Systems, of Nottingham, gave Mr Bates a computer printout that shocked him. It showed that in December 1985 his wife had defaulted on a payment of £17 due to the GUS catalogue company, based in Manchester.

Yet the truth was that Mrs Bates had never dealt with the catalogue company, and the address shown in CCN's records was one they had left in May 1984.

So Mr Bates wrote to CCN saying neither he nor his wife had ever held an account with the GUS catalogue company and asking CCN to delete the debt allegation from the computer record. He also wrote to GUS as it had supplied the information to CCN in the first place.

GUS did not reply. CCN did, with the blunt statement that "the information on our file is correct". If Mr Bates had any query he should take it up with GUS, he was told.

Mr Bates protested, repeating that the information held by CCN was simply false. This time GUS replied, but completely missed the point, reassuring Mr Bates that it was not implying the £17 was still owed, merely that it was owed in December 1985!

GUS has since told *The Times* that it now accepts the application to act as a local catalogue agent did not come from Mrs Bates but from someone using her name and former address. The information filed by GUS on the CCN.



Victims: Mr and Mrs Bates, unjustly accused by a computer

computer has now been withdrawn.

But for several months CCN Systems did hold completely false information, which ultimately resulted in Mr and Mrs Bates being refused credit.

CCN Systems says it takes the accuracy of its member companies' data on trust. It holds records on more than 25 million people and in a typical year it handles more than 30 million credit inquiries. The obligation to ensure that the data is accurate rests with the companies feeding the information into the computer, CCN says.

Mr Bates could at any time have exercised his right to add a notice of correction to the faulty CCN file. People objecting to a computer credit record of this sort can insert up to 200 words of their own, contesting allegations made against them, and CCN insists.

## Consumers' rights working imperfectly

It invited Mr Bates to file just such a notice soon after he first complained.

Mr Bates agrees CCN did offer to file his correction alongside GUS's allegation that his wife owed the company money, but that was not good enough, he believes.

The 1974 Consumer Credit Act, which gives the public the right to correct doubtful claims in this way, also says that anyone who thinks an entry about himself or herself has no basis whatsoever may "write to the agency requiring it to remove the entry".

It was this that Mr Bates

believed he had done with some force — though CCN simply passed the responsibility for investigating his complaint to GUS in Manchester.

Mr and Mrs Bates do now have their good name and their unblemished credit record once more, but their experience shows that the rights given to consumers are working far from perfectly.

When Mr Bates questioned why the bank had turned down his loan application he should have been told that a credit reference agency was involved.

Anyone refused credit has the legal right to send a letter to the company involved within 28 days of the refusal asking whether the company consulted a credit-checking agency or not. If the company did, and if the amount involved does not exceed £15,000, the complainant must be told the name and address of the credit reference agency within seven days.

He or she can then send a £1 fee to the agency and ask for a copy of whatever information it holds, and the agency must reply within seven working days. Fortunately, Mr Bates knew enough to jump in at this point and track down the credit agency himself.

Others lacking his experience may not be so fortunate and may never even know that their sudden unpopularity with banks and hire purchase companies could be due to something as simple as a false address used by a petty debtor and an inadequate vetting system used by a busy retailer.

Tony Hetherington

Small may be beautiful, but try telling that to the taxman. The Inland Revenue has never been happy with small self-administered pension schemes and now it is devising rules that could make life that bit more difficult for directors and executives who use such schemes to provide for their retirement pensions.

Actually, small self-administered pension schemes have never been an easy way of acquiring yachts and pretending they were ideal retirement investments. But the very structure and flexibility of the schemes have proved popular for high-earning directors and executives, and a whole industry has grown up to service this sector of the retirement business.

The most popular aspect of such schemes was that they allowed directors who set them up to borrow as much as 50 per cent of the assets.

The borrowing had to be for a genuine commercial reason to enable them to run the

## All loans to be properly secured

business, but the Revenue did not inquire too closely about the nature of the commercial reason. It seemed sufficient to say that they needed the money for cash-flow purposes, or to acquire stock.

But draft regulations now being circulated by the Revenue tighten the whole thing up. This is the first serious revision since small self-administered pension schemes were, effectively, brought into being under the Joint Office Memorandum No 58 of February 1979. It will change quite a few things.

All loans must now be properly secured. The Revenue has not explained what it means by proper security but, clearly, the old glib explanations will no longer suffice.

In the first two years after the scheme has been set up all loans to the employer, plus the

## Sorry, sir, you can't retire on that yacht

value of any shares in the employer's company, cannot exceed 25 per cent of the scheme's assets. The 50 per cent mark, which prevails at the moment, will not be allowed until the scheme has been running for two years.

The existing rules do not actually allow for investment in residential property but, in the sort of compromise common in this country, they do not prohibit it either. So investment in holiday homes in the sun is not unheard of.

The draft regulations say that no investment in residential property will be allowed unless the property is occupied by an arm's-length employee — in other words, a caretaker who is required to live close to the employer's premises.

The new rules also come down against investing in the old Picasso or Turner. At present up to 5 per cent of the scheme's assets can be invested in "works of art and valuable chattels". Those who already hold such assets can continue to hold them, but once they are sold they cannot be replaced with something similar.

It will be up to the schemes to inform the Revenue if investments in these areas are being made, and they will also have to promise that such investments are not in violation of the requirements.

The Revenue has provided the hitherto toothless pension trustee with a cutting edge. At the moment the pension trustee has to make sure that there is no improper

or premature winding-up of the scheme. Now he will be required to tell the Revenue of any transaction undertaken by the scheme which, in his opinion, is likely to violate the requirements.

But there is a good side to these regulations. One practice that had grown up allowed pension schemes to borrow money and use it for investment. Suppose you set up a small, self-administered scheme and contributed £100,000. The scheme could then borrow £300,000 and buy a property for £400,000. In other words, pension schemes could be geared up to make investments. The draft regulations now confirm this practice.

As so often with the Revenue, there is a small slip between the draft and the final regulation. We do not know what changes may be made to these regulations or when they are likely to be implemented.

Hymen Wolanski, who heads his own consulting

## 'Nothing to fear from the Revenue'

actuarial firm, says: "Some of the new restrictions, particularly the 25 per cent limit on loans within the first two years of the scheme's existence, will have a negative impact. But the restrictions on the Inland Revenue's discretion in various areas will make it easier for us to advise clients on what is, and what is not, permitted."

Mr Wolanski finds the tone of the discussion document encouraging. It seems to suggest that if people follow the requirements, then the small self-administered pension schemes have nothing to fear from the Revenue.

It is also good news that once these changes are implemented people will have a better idea of what the Revenue wants, and consulting actuaries' fees for setting up the schemes may no longer be so high.

Mihir Bose

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In the surveys conducted by *Planned Savings* magazine of 5 and 10 year regular premium with profits pension plans for top executives and other employees, The Equitable has come top more often than any other company.

Of course the past cannot guarantee the future but what better way is there of judging a company than by a record of such consistent excellence?

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First, because as a mutual company, we have no shareholders to nibble away at the profits.

Second, we pay no commission to brokers or middlemen, so more of your money is invested. And what's more, unlike most other companies we will not penalize you should you decide to retire earlier than planned — you get the full value of your fund accumulated to date.

Don't forget that unless you spend most of your working life with the same firm, you're unlikely to get the maximum pension, which is 2/3 of your final salary. If this applies to you and you make pension contributions of less than 15% of your current salary you could be eligible for an Equitable top-up pension.

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The Equitable Life, FREEPOST, Walton St., AYLESBURY Bucks HP21 7BR. For welcome further details on 12 Individual Pension Plans, 12 Unit-linked based alternatives.

Name (Mr/Ms/Mrs) \_\_\_\_\_  
Address \_\_\_\_\_  
Postcode \_\_\_\_\_  
Tel. (Home) \_\_\_\_\_  
Tel. Office \_\_\_\_\_  
Date of Birth \_\_\_\_\_

Signature \_\_\_\_\_  
The Equitable Life

The oldest mutual life office in the world.

# HOW WE TURNED £10,000 INTO £45,651 IN JUST 5 YEARS

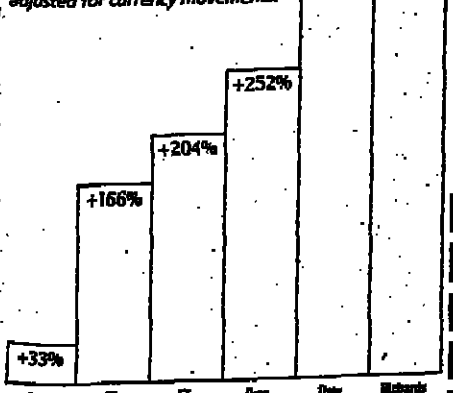
If you had invested £10,000 in our competition portfolio in January 1982, it would have grown to £45,651 by 30th December 1986. In other words it would have multiplied more than FOUR FOLD in just five years. A return you'd find hard to beat. Here's how we did it.

## Choose the right form of investment

As you can see from the table below, a Managed Portfolio of Unit Trusts can give a much greater return over a five year period than major world-wide investment indices.

So, obviously it makes sense to put your money into Unit Trusts. The problem is which ones? There are more than 1,000 in all and to get better growth dynamic professional Portfolio Management is essential.

Our Portfolio Management figures are net of dealing costs but include net reinvested income. Indices are adjusted for currency movements.



Competition period January 4th 1982 to December 30th 1986.

## Choose the right Unit Trust

At Richards, Longstaff we have both the skill and knowledge to make sure you get the best advice on your investment.

You see we've specialised in running portfolios of Unit Trusts longer than any other company. *Planned Savings* magazine has placed us first for capital growth every year since January 1982.

**Richards, Longstaff**  
Unit Trust Portfolio Management  
Battlebridge House, 97 Tooley Street,  
London SE1 2RF  
Part of the York Trust Group

Please send me full details of your Unit Trust Portfolio Management service. Return to Richards, Longstaff Limited Battlebridge House, 97 Tooley Street, London SE1 2RF

Mr/Ms/Miss \_\_\_\_\_

Address \_\_\_\_\_

Postcode \_\_\_\_\_

Telephone \_\_\_\_\_

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Over the last three years every one of Gartmore's unit trusts has made money, in one case, an impressive 285.7%. While our most recent launch, the Gartmore Frontier Markets Trust, showed an impressive 42% growth in its first seven months. Currently we have over £680,000,000 of private investors' savings invested in our range of twenty-one UK authorised unit trusts.

What is the story behind this success?

21 tried and tested ways to make your money grow.

American	+14.0%
Australian	+103.8%
British	+151.4%
Commodity Share	+75.8%
European	+127.1%
Global	+156.3%
Far Eastern	+170.6%
Fixed Interest	+35.9%
Frontier Markets	+42.0%
Global	+116.0%
Gold Share	+167.5%
Western American	+71.6%
High Income	+168.8%
Hong Kong	+141.1%
Income	+220.0%
International	+12.7%
Japanese	+81.6%
Managed Foreign	+98.1%
Global Energy	+51.4%
Global Situations	+179.6%
Small Cap Rec	+285.7%

Source IDC Opal offer to bid net income reinvested. 1st October 1984 to 1st October 1987. \*Launched February 1987 \*\*Launched March 1985.

Gartmore is one of the few truly independent investment houses left in the City. With nobody else but our clients to consider we can offer genuinely independent investment management and operate without bias.

Neither are we 'one of the herd.' For instance, a few years ago we created the UK's first 'umbrella' fund — the Capital Strategy Fund. It's been so successful that over \$534 million is invested in it.

Our range of income and capital growth trusts covers every major industrial market and sector in the world, and we can offer our unit holders and their professional advisers a number of services including a Monthly Income Plan, Portfolio Management Service, a Personal Equity Plan, a unit trust savings plan, a Building Society linked investment plan and a share exchange scheme. Moreover we also offer the offshore investor and his professional adviser a further range of investment products.

To find out more about Gartmore, just telephone the Investor Services Department **FREE** on 0800 289 336 and we'll send you all the information.

**Gartmore**

Gartmore Fund Managers Limited, Gartmore House, 16-18 Monument Street, London EC3R 8AJ. Telephone: 01-623 1212.



# The only 3 Unit Trusts most investors should ever need

With over one thousand unit trusts available and more being launched each month, how do you know which to choose? In reality there are only three basic types of unit trust, and M&G has an outstandingly successful example of each: Recovery Fund for capital growth, Dividend Fund for an increasing income, and SECOND General for a balance between income and growth.

You should remember that new funds or funds which suffer a change of management are likely to be more of a gamble than those which can point to a long and successful record. M&G's investment team has remained largely unchanged for many years, and our long-term performance record reflects this. Past performance cannot be a guarantee for the future, but it is usually the best measure you have of a fund's likelihood of achieving its objective.

The price of units and the income from them may go down as well as up. This means that unit trusts are a long-term investment and not suitable for money you may need at short notice.

## Growth RECOVERY FUND

M&G Recovery Fund is probably the most successful unit trust ever launched and the table below shows just how well it has achieved its aim of capital growth. The Fund buys the shares of companies which have fallen on hard times. Losses must be expected when a company fails to recover but the effect of a turnaround can be dramatic.

Year ended 31 DECEMBER	M&G RECOVERY	F.T. ORDINARY INDEX	RETAIL PRICE INDEX	BUILDING SOCIETY
23 May '89	£5,000	£5,000	£5,000	£5,000
1970	5,880	4,285	5,510	5,658
1975	13,200	5,561	10,411	8,864
1980	35,280	8,644	20,087	15,069
1985	135,400	24,737	27,617	25,471
1 Sep '87	325,120	40,139	29,329	29,376*

NOTES: All figures include reinvested income net of basic rate tax. The Building Society figures are based on an extra interest account offering 3% above the average yearly rate (source: Building Societies Association). M&G Recovery figures are all realisation values. \*Estimated.

FURTHER INFORMATION: On 30th September 1987 offered prices and estimated gross current yields were:

	Income	Accumulation	Yield
Recovery Fund	674.5p	891.3p	2.22%
Dividend Fund	674.5p	2048.5p	3.59%
SECOND General	1180.4p	2387.5p	2.50%

Prices and yields appear daily in the Financial Times. The difference between the 'offered' price (at which you buy units) and the 'bid' price (at which you sell) is normally 6%. An initial charge of 5% is included in the offered price and an annual charge of up to 1% of each Fund's value - currently 14% - plus VAT is deducted from gross income. Income for Accumulation units is reinvested to increase their value and for Income units it is distributed net of basic rate tax on the following dates:

	Recovery	Dividend	SECOND
Distributions	20 Feb 15 Jan 15 Feb	20 Aug 15 July 15 Aug	20 Feb '88 15 Jan '88 15 Feb '88

Applications required by 18 Dec '87 20 Nov '87 4 Dec '87 for next distribution 20 Feb '88 15 Jan '88 15 Feb '88

You can buy or sell units on any business day. Contracts for purchase or sale will be due for settlement two to three weeks later. Remuneration is payable to accredited agents; rates are available on request. The Trustees for Dividend and Recovery are Barclays Bank Trust Co. Limited and for SECOND is Lloyds Bank Plc. The Funds are all wider-range investments and are authorised by the Secretary of State for Trade and Industry.

M&G Securities Limited, M&G House, Victoria Road, Chelmsford CM1 1FB. Tel: (0245) 266266. Advisory Services: 01-525 4588. Member of the Unit Trust Association.

## Income DIVIDEND FUND

If you need income which will grow over the years M&G Dividend Fund could be your ideal investment. The Fund invests in a wide range of ordinary shares and aims to provide above average and increasing income and a yield about 50% higher than the F.T. Actuaries All-Share Index.

Year ended 31 DECEMBER	M&G DIVIDEND	BUILDING SOCIETY	M&G DIVIDEND	BUILDING SOCIETY
6 May '84	£198	£343	£5,000	£5,000
1985	231	400	5,380	5,000
1970	424	511	8,150	5,000
1975	830	675	12,240	5,000
1980	1,129	529	32,580	5,000
1 Sep '87	1,900	417*	59,940	5,000

NOTES: All income figures shown are net of basic rate tax. The Building Society income figures are 3% above the average of the rates offered in each year (source: Building Societies Association). M&G Dividend capital figures are all realisation values. \*Estimated for the year.

## Balanced SECOND GENERAL

M&G SECOND General Trust Fund aims for consistent growth of both capital and income and has a 31-year performance record which is second to none. It has a wide spread of shares mainly in British companies.

Year ended 31 DECEMBER	M&G SECOND	F.T. ORDINARY INDEX	RETAIL PRICE INDEX	BUILDING SOCIETY
5 June '56	£5,000	£5,000	£5,000	£5,000
1960	9,760	10,040	5,846	6,673
1965	15,680	13,115	6,746	9,253
1970	23,240	15,270	8,571	13,375
1975	39,920	18,810	16,553	21,027
1980	97,700	30,800	31,247	35,626
1985	273,000	88,120	42,959	60,217
1 Sep '87	526,160	142,990	45,622	69,449*

NOTES: All figures include reinvested income net of basic rate tax. The Building Society figures are based on an extra interest account offering 3% above the average yearly rate (source: Building Societies Association). M&G SECOND General figures are all realisation values. \*Estimated.

## INVESTMENT FROM £1,000

To: M&G SECURITIES LIMITED, M&G HOUSE, VICTORIA ROAD, CHELMSFORD CM1 1FB. Please invest the sum(s) indicated below in the Fund(s) of my choice (minimum investment in each Fund: £1,000) in ACCUMULATION/INCOME units (delete as applicable) or Accumulation units will be issued for Recovery and SECOND and Income units will be issued for Dividend) at the price ruling on receipt of this application. DO NOT SEND ANY MONEY.

A contract note will be sent to you stating exactly how much you owe and the settlement date. Your certificate will follow shortly.

	RECOVERY (MIN £1,000)	£	-00
	DIVIDEND (MIN £1,000)	£	-00
	SECOND (MIN £1,000)	£	-00

SIGNATURE \_\_\_\_\_ DATE \_\_\_\_\_  
HCSN M&G

Registered in England No. 30716 Reg. Office: Three Quays, Tower Hill London EC3P 6BQ. This offer is not available to residents of the Republic of Ireland.

# £25 A MONTH CAN ACCUMULATE A LOT OF MONEY

If you had chosen fifteen years ago to save £25 a month in a building society, and had left the interest to accumulate, by 1st July 1987 your total outlay of £4,500 would have built up to £8,839. On the other hand, if you had chosen to save the same amount each month in one of our larger unit trusts, M&G SECOND GENERAL, you would have built up an investment worth £31,396, an extra £22,557.

You can start an M&G Unit Trust Savings Plan with as little as £25. You need not subscribe regularly but we strongly recommend that you do so, by completing the Bankers Order form. By saving a regular amount you make fluctuations in the stockmarket work to your advantage because more units are bought when their price is low than when it is high. Unit Trusts are an excellent method of investing in the various stockmarkets of the world, and are ideal for regular investment over the longer term. They are not suitable for money you may need at short notice.

The price of units and the income from them may go down as well as up.

Your Savings Plan subscriptions go into Accumulation units of the Fund you choose and income is reinvested automatically after basic-rate tax. Further details of the Funds and

## WHAT YOU COULD HAVE ACCUMULATED FOR £25 A MONTH BY 1ST JULY 1987

	15 YEARS (1 JAN 1972)	10 YEARS (1 JAN 1977)	5 YEARS (1 JAN 1982)
Amount paid in	1,500	3,000	4,500
M&G Recovery	4,348	14,570	51,810
M&G Dividend	3,781	13,384	35,149
M&G SECOND	3,348	12,369	31,396
F.T. Industrial Ordinary Index	3,302	10,511	23,313
Building Society Savings Account	1,814	4,642	8,839

Source: Planned Savings. All performance figures include income reinvested net of basic rate tax. The figures for the M&G Funds are 'bid' prices. You should remember that past performance is no guarantee for the future.

the Rules of the Plan are available on request. All the Funds are wider-range investments and are authorised by the Secretary of State for Trade and Industry.

The only changes are those you normally pay with unit trusts - 5% included in the initial price of units and up to 1% annually for management. There are no extra charges for this Savings Plan.

You can vary the amount you pay and you are free to cash in your accumulated investment, or part of it, at any time without penalty. The securities in a unit trust are held in safe custody by the Trustee (one of the major banks). You can follow the progress of your plan by looking up the price of units and the current yield in the Financial Times or other leading newspapers. You buy units at the 'offer' price and sell at the 'bid' price.

## SAVINGS PLANS FOR CHILDREN

The minimum age for the Unit Trust Savings Plan is 14, but accounts for younger children can be opened in the name of an adult and designated with the child's full name.

To: M&G SECURITIES LIMITED, M&G HOUSE, VICTORIA ROAD, CHELMSFORD CM1 1FB.

## NO EXTRA CHARGES

NO EXTRA CHARGES. I wish to subscribe £ (min £25) each month to the M&G Unit Trust Savings Plan and I enclose a cheque (made payable to M&G Securities Limited) for my first subscription of £ (you may wish to start your plan with a lump sum). I wish my subscriptions to be invested in the Fund circled.

Bankers Order DO NOT DETACH FROM ENROLMENT FORM

Account No. (leave blank) the sum of £ .00 on the

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## Portfolio Gold

For readers who may have missed a copy of *The Times* this week, we repeat below the week's *Portfolio* price changes (today's are on page 29).

Day	Mon	Tue	Wed	Thur	Fri	Sat	Weekly
1	+4	+7	+8	+8	+8		
2	+5	+7	+6	+7	+7		
3	+5	+7	+6	+4	+5		
4	+3	+7	+5	+5	+4		
5	+5	+6	+6	+5	+4		
6	+8	+8	+5	+4	+4		
7	+4	+5	+5	+8	+7		
8	+2	+8	+5	+5	+4		
9	+3	+5	+8	+5	+7		
10	+3	+6	+7	+4	+3		
11	+2	+7	+6	+3	+6		
12	+3	+6	+7	+6	+3		
13	+4	+7	+4	+6	+5		
14	+1	+7	+7	+2	+5		
15	+4	+6	+5	+4	+7		
16	+4	+7	+5	+3	+4		
17	+2	+5	+7	+5	+3		
18	+3	+6	+5	+1	+6		
19	+3	+6	+4	+2	+5		
20	+2	+7	+6	+7	+7		
21	+4	+6	+6	+4	+2		
22	+5	+7	+4	+2	+4		
23	+2	+5	+5	+6	+7		
24	+2	+5	+7	+3	+3		
25	+5	+6	+7	+5	+4		
26	+2	+5	+5	+1	+5		
27	+2	+5	+6	+7	+2		
28	+5	+5	+6	+8	+6		
29	+3	+6	+6	+5	+5		
30	+4	+7	+7	+5	+4		
31	+4	+7	+5	+7	+7		
32	+1	+8	+7	+2	+5		
33	+3	+6	+4	+4	+5		
34	+5	+7	+7	+7	+4		
35	+3	+5	+6	+5	+8		
36	+4	+8	+7	+2	+6		
37	+3	+6	+5	+3	+5		
38	+5	+6	+5	+8	+8		
39	+3	+5	+8	+5	+4		
40	+6	+7	+7	+3	+4		
41	+5	+7	+6	+7	+3		
42	+3	+6	+5	+4	+7		
43	+8	+6	+5	+6	+4		
44	+4	+8	+4	+5	+5		

## Escudos for your home

### PROPERTY

Two leading Portuguese banks, both with branches in the City of London, have just announced details of their mortgage schemes - with the mortgages registered in Portugal.

Non-residents wishing to buy a second home in Portugal may take advantage of these, provided the properties they are purchasing are freehold.

Banco Totta & Acores will consider loans up to 75 per cent of the cost or valuation of the property, whichever is the lower, with a minimum of £15,000. The interest rate will be charged at a specific margin over the bank's base rate repayable over a maximum 15-year term. This must not extend beyond the borrower's retirement.

Banco Totta & Acores will have first legal charge over the property and one condition of the mortgage will be that the borrower also assigns life and property insurance policies for the full replacement value of the loan.

The bank even stipulates that insurance cover must be arranged through Brown Shipley Life & Pensions. The loan may be repaid by one of three methods - by monthly instalments of capital and interest; by an endowment scheme with interest payable monthly and principal payable in full at maturity; or by a pension linked with interest payable monthly and principal payable in full at maturity.

All legalities, including an independent survey to ascertain the property's true value, will be sorted by Banco Totta & Acores lawyers, who are also prepared to act on the applicant's behalf to guide him through the various Portuguese legal and procedural maze if so required. But all legal fees must be borne by the applicant.

Banco Espirito Santo e Commercial de Lisboa (BESCL) usually lends up to 50 per cent



Buying? Two banks will help with purchases in Portugal

arrange insurance cover: on that property and register its interest with the insurance company.

BESCL's repayment conditions are as follows:

● It will be in equal instalments over the term of the loan unless secured by an endowment policy

● Interest will be charged quarterly in arrears at a rate over the BESCL base rate (based on the National Westminster Bank base rate). This margin varies from 2 to 4 per cent over base depending on the security offered

● Borrowers will pay all administrative expenses including an arrangement fee of 0.5 per cent (with a minimum of £200).

Full details are available from Banco Totta & Acores, 68 Cannon Street, London EC4N 6AQ (01-236 1515), and Banco Espirito Santo, 4 Fenchurch Street, London EC3M 3AT (01-283 5381).

Diana Wildman

# MERCURY UNIT TRUSTS

If you are considering investing in a unit trust you should choose carefully the company which will be managing your money. Mercury Fund Managers is the unit trust arm of Mercury Asset Management Group plc.

Mercury Asset Management Group plc has built a reputation for consistent long-term performance. Mercury Asset Management is one of the largest fund management companies in the UK, responsible for the investment of over £22,000 million. It is a partly-owned subsidiary of S.G. Warburg Group plc.

Within the Mercury range there are three unit trusts which should cover most investment needs.

MERCURY BRITISH BLUE CHIP FUND, particularly suitable for those who are new to stockmarket investment, invests in a spread of shares in leading British companies. Its principal aim is for long-term capital growth, but it should also provide unitholders with a steadily increasing income.

MERCURY GLOBAL FUND offers a worldwide managed portfolio for investors who require some protection from the fluctuations of the UK stockmarket. It is ideal for those who do not have the time or expertise to manage their own investments. It aims for long-term capital growth through investment in the leading stockmarkets of the world, including the UK.

MERCURY RECOVERY FUND is suitable for the more adventurous investor and aims for capital growth, principally through investment in UK companies whose shares are currently undervalued but which have good recovery prospects. The recovery principle has proved very successful over many years, and Mercury Recovery Fund has prospered from its emphasis on individual stock selection.

The table shows just how well it has performed since its launch in April 1981, although you should remember that past performance is not necessarily a guide to the future.

MERCURY RECOVERY FUND PERFORMANCE FROM LAUNCH				
	Mercury Recovery	FT-Actuaries All-Share Index	Retail Price Index	Building Society
1 Apr 1981	£1,000	£1,000	£1,000	£1,000
1 Jan 1983	£1,439	£1,321	£1,165	£1,154
1 Jan 1985	£2,760	£2,182	£1,282	£1,318
1 Jan 1987	£5,080	£3,270	£1,400	£1,502
1 Sept 1987	£7,799	£4,573	£1,435	£1,568



## LEGAL AND FINANCIAL

## No room for hidden talent

One man's "pitch" is another man's "tender" and Moore Stephens is prepared to "quote". But whether or not any of this in Puddle Dock because when Peat Marwick McLintock make presentations to potential clients they are simply there "to explain".

"I don't like the terms pitching or quoting because that implies we are lined up against other firms in terms of price," said David Vaughan, a senior partner, who led the Peat's team into battle for the ICI account.

"People don't seem to realize that there are massive distinctions between the Big Eight accountancy firms. It is a common misconception that we're all offering the same anonymous service and that therefore price is a dominant consideration in determining who gets the business. Well it's not. What we try to do here is explain to potential clients what we have to offer—we're not in the business of selling ourselves."

Not everyone would agree with David Vaughan's virginal interpretation of what so-called "Beauty Parades" are all about. And frankly, with Peat Marwick McLintock's record of coming out as winners in two out of every three Beauty

Accountancy firms like

any other must look

for new business.

Edward Fennell looks

at the increasing

importance of special

presentations among

aspiring professionals

Michael Sayers of Norton Rose, "I believe the best way of getting work is by being seen to be doing the job well."

The motive behind the Beauty Parades is quite straightforward. Newcomers to the City want to test out the market while the old loyalties of client to professional advisor are rapidly breaking down.

"What astute financial directors are realizing is that if they get together a group of the leading firms of accountants and test them against each other then they are bound to get competition going on all fronts," said a spokesman for Arthur Andersen. "And that has to be good for the client."

Even so some caution is being voiced about the value of the Beauty Parade—especially by solicitors.

"The problem about presentations is whether or not they can really reveal the true mettle and worth of the individual," emphasised Stephen Sayer of Richards Butler.

"They only last an hour or two and frankly you can't really judge someone's competence on that basis. The only way you really get to know them is by working with them."

What does come through in presentations is the personality of the team which is pitching. And that is often of crucial importance.

"We go in for very discreet and personal presentations," said Nicholas Hilton of Moore Stephens, "because we feel that clients are buying a partner-led service. The vital feature, therefore, is how well the prospective client feels he can work with us and the personal chemistry which will result."

Michael Robinson of Richards Butler agreed with that view.

"Beyond a certain level of technical competence clients are looking for personalities with whom they feel comfortable. At the Beauty Parade you can't pretend to be what you're not. You

are what you are and that's it."

Like Richards Butler and Moore Stephens most firms subscribe to the "what you see is what you get" school of presentations. The very notion of having expert "presenters" who merely come in to charm the client and are then never seen again is rejected as being almost unethical.

Even so, all the evidence shows that there is a growing "professionalism" in the way pitches (pace Mr Vaughan) are made. And there are certainly plenty of signs that firms will amend their style to fit the audience. For example, when it comes to the pre-presentation documents, Peat Marwick McLintock really spread the glass around.

"A few years ago it would have been a matter of some photocopied sheets in a ring-binder," commented Tim Roberts, "but now we produce substantial and very attractive material which we send out as a first stage in the process of getting new business."

Moore Stephens readily admits that it has trained (either in-house or externally) all of its partners who are normally involved in beauty parades. And Richards Butler carefully assembles its presentation teams by drawing them

Public relations firms are now eager to join in and lend helpful advice

from the various levels of the firm which would be involved with the client long-term.

"It's a cocktail of partners and staff we're offering, not just a single person who wants to hog the limelight," said Aviation partner Colin Thane.

Of course the public relations firms are itching to get in on the act. David Rockberger is a partner with the firm of Davenport Lyons and also a director of the leading advertising agency Yellowhammer.

A someone with a foot in both camps he still feels that "generally speaking solicitors need to shape up" over the whole business of communicating with clients. "I think that a bit of advice from a PR or advertising company about their pitches would do many firms a lot of good," said Mr Rockberger.

Just how well that advice might be received is an interesting point. One legal partner at a firm which had recently sacked their first PR company said, "Lawyers like me are innately suspicious of public relations companies."

Oh well, never mind. Given the pace of change in the City that partner will no doubt soon be a convert to PR and end up donning the make-up and speaking to the autocue just like everyone else.

## THE TIMES LEGAL &amp; FINANCIAL SERVICES GUIDE

## LOCAL AUTHORITY SEARCHES

Still waiting for a reply to that postal enquiry? ICC could be getting a result now!



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Name

Address

Date of birth

Tel No:

Day

Evening

Occupation

Annual basic salary £

Guaranteed overtime/bonus £

How long in present job?

If remortgage, amount outstanding

Mortgage required £

Type of property: flat/house

If leasehold, number of unexpired years

I/we declare that all the information above is true.

Please send me/us an illustration for mortgage/remortgage without any obligation.

Signature

Date

All loans subject to references, enquiries, valuation and availability.

## APPLICANT 2

Name

Address

Date of birth

Tel No:

Day

Evening

Occupation

Annual basic salary £

Guaranteed overtime/bonus £

How long in present job?

If remortgage, amount outstanding

Purchase price/valuation £

If leasehold, number of unexpired years

I/we declare that all the information above is true.

Please send me/us an illustration for mortgage/remortgage without any obligation.

Signature

Date

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**Advanced gains need to sum:**

1	(5)	224-11110	INTOTO 32 (G,F,G) (b c Bustard-Amazer) (Sheikh Ahmed al-Makdoun) A Stewart (GB) 4-9-4 <i>(Yellow, black epaulettes)</i>	M Roberts	98
2	(9)	-111201	TONT BBN 21 (D,F,G,S) (b c Kampale-Severn Bridge) (Allavamento White Star) L Camid (Ity) 4-9-4 <i>(Red, white star, yellow sleeves, red and yellow hooped cap)</i>	C Asmesse	87
3	(11)	132-111	ORBAN 107 (D,F,G,S) (b c Irish River-Regal Exception) (Prince A A Faisal) H Caci (GB) 4-9-4 <i>(Maroon, white epaulettes, white cap, maroon star)</i>	G Starkey	98
4	(1)	-011440	SHARANIYA 35 (C,D,F,G,S) (b f Alleged-Shantazadeh) (Aga Khan) A de Royer-Dupre 4-9-1 <i>(Green, red epaulettes, white sash)</i>	A Lequaux	81
5	(4)	-113311	TRIFTYCH 28 (C,D,F,G,S) (b m Rivernam-Trillion) (A Clore) Patrick-Louis Biancone 5-9-1 <i>(Light blue, blue and mauve halved sleeves)</i>	A Cruz	94
6	(2)	-1114	NATROUN 21 (C,D,F,G,S) (b c Akarad-Niece Divine) (Aga Khan) A de Royer-Dupre 3-8-11 <i>(Green, red epaulettes)</i>	Y Saint-Martin	87
7	(3)	1-22111	TABAYAN 17 (C,F,G,S) (b c Shirley Heights-Tedusa) (Aga Khan) A de Royer-Dupre 3-8-11 <i>(Green, red epaulettes, red sash)</i>	W R Swinburn	82
8	(-)	-112111	REFERENCE POINT 22 (D,F,G,S) (b c Mill Reef-Home On The Range) (L Freedman) H Caci (GB) 3-8-11 <i>(Yellow, black spots, yellow sleeves and cap)</i>	S Caution	99
9	(8)	-122331	TREMPOLINO 21 (C,D,G,S) (ch c Sharpen Up-Trephine) (P de Moussac) A Fabre 3-8-11 <i>(Black and gold hoops, check cap)</i>	Pat Eddery	83
10	(7)	1101U1	GROOM DANCER 14 (C,F,G,S) (b c Blushing Groom-Featherhill) (M L Warner Jr) T Clout 3-8-11 <i>(White, red disc, red and white striped sleeves, red cap)</i>	D Beaul	89
11	(10)	1-11110	TERESA 21 (D,G,S) (b f Riffessimo-Takala) (Mme A Blasco) E Castela (SG) 3-8-8 <i>(Light blue, yellow cross belts and cap)</i>	G W Moore	80

Dundalk v Armagh; Old Belvedere v Ards  
 Bohemians v Instonians; Cooke v Queens  
 University; Dungannon v Terenure  
 Portadown v Monkstown.

Appeals or such longer period as the Registrar might order.

In order to avoid being taken by surprise, counsel's clients should keep in touch with the Civil Appeals Office, which

Appellants and respondents who were not represented by solicitors and counsel would

**Non-compliance by applicants with the timetable will result in the appeal being dismissed without showing cause why it should not.**

## Directions

In *In re K (Minors)* (*Times* September 10) the solicitors for the local authority were Richard White & Mich-

Sherwin, Croydon.















END COLUMN

**By David Miller**

I wish Barnes were as phenomenal as Best. Then we could start thinking about winning the European championship next summer. Best's only weaknesses were off the

**The Soccer Syndrome, Simon and Schuster, \$5.95.**

Like their city rivals, Celtic saw an initial offer rejected in London but Billy McNeill, the manager, was given permission to increase his bid from £600,000 to £800,000 and yesterday the clubs agreed terms.

As for McAvennie, although he was a fervent Celtic supporter and under close scout scrutiny, he was not called up to the Parkhead strength and went instead to St Mirren and then two years ago to West Ham.

He would not have been a Celtic wage if Charlie Nicholas, then out of contract with Arsenal, had accepted an offer from McNeill to go to Celtic during the summer. Nicholas refused, preferring to sign a further one-year contract to stay at Highbury where he appears to have become sur-

figures of Terry Butcher and Graham Roberts.

In fact, Souness yesterday proudly insisted that his new acquisition could be particularly flexible. "He might play in the middle of the back four, he might play at full back or we might even use him as a centre forward." More to the point, Souness referred to the fact that premier division clubs must meet each other at least four times each season. A team which has the resources to vary its approach to these fixtures consequently has a substantial chance of winning honours.

**New partners:** Graeme Souness (right), the Rangers manager, with his £1.5 million acquisition, Richard Gough, yesterday

**"I don't think I need a central defender," David Pleat, the Tottenham manager said. However reluctant Pleat was to sell a player, whom he greatly admired, there can be**

Gough was the sort of heroic figure for whom it was almost impossible for any manager to leave out. Plean once described him, aptly, as "a bit of a Red Indian". But, even more than Mabbutt, there was a doubt about what his best position was or even whether his future lay at

A goalkeeper is bound to be at the top of what must be a fairly short shopping list. Clemence has already indicated that this may be his final season, but elsewhere Tottenham are well served.

The same could not be said of West Ham United, who are struggling near the foot of the table. The McAvennie-Cottie partnership which blazed a trail through so many defences in the 1985-86 season has long since lost its way and was last seen heading up a cul-de-sac at Highbury on Saturday. A new partner for Cottie — someone like Harford of Luton Town — is a must.

Thorburn began with a break of 73 and added runs of 45 and 94 to move three ahead before forcing Hendry into a fourth frame error on the

**SCORES:** S Davis (Eng) leads M Hallett (Egland) 6-1. Frame scores (Davis first): 65-53, 69-0, 78-38, 71-31, 72-2, 53-66, 73-84. C Thorburn (Can) leads S Hendry (Scott) 7-0. Frame scores (Thorburn first): 73-31, 66-21, 94-0, 54-51, 61-18, 123-24, 66-54.

Luck was certainly running the way of Henry Cecil, Reference Point's trainer, when his three-year-old, All Haste, was awarded the Godolphin Stakes on the disqualification of Timefighter. Salse completed a double for the stable when sprinting home by five lengths and is now 8-1 second favourite for next spring's 2,000 Guineas.

Yet, because of the intricate nature of this medal match-play event, Davis had to wait more than one hour for confirmation of Australia's continuing participation. The rules insist that if two of the three matches are halved then the contest must carry on.

Ironically, Zokol met his Waterloo at the 17th — the fifth extra hole — when his four-iron approach failed to hold the green. He left his first attempt on the road, whereas Norman struck a superb first

Now the United States will meet Scotland, who have three of Europe's Ryder Cup heroes in their team, while Australia take on England. Scotland moved through 2-1 against Ireland, with Sandy Lyle and Sam Torrance scoring 67 and 69 respectively, while England beat Spain 2-1.

"The whole point of practising and playing a match at Rawalpindi is to get used to the conditions before the World Cup game," Peter Lush, the England tour manager said.

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Pontypool had already appointed their own investigative committee after a reported \$100,000 transfer involving Bishop collapsed in mysterious circumstances last week. Their findings were accepted when the WRU general committee met on Thurs-

## BEHIND BOUND

Over 1,500 British athletes, including Karen Holdsworth, the 1983 winner, will join Filbert Bavi, the former world

breakers and unknowns in  
summing games tomorrow. The  
Senate, pleaded on behalf  
the fans for the players and

Traveler Pusa, Vikrovic's substitute goalkeeper, has sought political asylum in Sweden after the Czechoslovak club's side's 3-1 aggregate victory in the UEFA Cup against Ark

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## New post

Chris Wilson, the most-capped international player, will become the general secretary of the Squash Rackets Association on November 7.

players, which will see strikebreakers and unknowns assuming games tomorrow. The Senate, pleaded on behalf the fans for the players and club owners to return to the bargaining table "in a spirit of good faith."

500cc motor cycling champion, emigrates to Australia next week and makes his farewell appearance in Britain in the ATS Truck Prix at Brands Hatch today.

Whatever Liverpool may be doing, they and their rivals need an affinity with the people.

***The Soccer Syndrome*, Simon and Schuster, £5.95.**